



Daily Report

China

FBIS-CHI-93-045
Wednesday
10 March 1993

Daily Report

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FBIS-CHI-93-045

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General

'Analysis' on U.S.-French Summit, Trade Issues
HK1003021193 Beijing RENMIN RIBAO in Chinese
9 Mar 93 p 6

["News Analysis" by staff reporter Zheng Yuanyuan (6774 0954 0954): "Mitterrand's Visit to the United States and French-U.S. Trade Conflict"]

[Text] Paris, 7 Mar (RENMIN RIBAO)—French President Mitterrand will pay a one-day short visit to the United States on 9 March. It has been reported that the heads of state of the two countries will exchange views on a wide range of international issues and bilateral ties. Mitterrand himself explained that the purpose of his visit is "to avoid misunderstanding at the beginning of Clinton's administration." Clinton, however, hoped that the visit could be "an opportunity for France and the United States to establish trust."

Mitterrand has decided to visit Washington at a time when French-U.S. ties remain strained. There is a sharp confrontation between France and the United States on the question of agriculture. In a sense, the contradiction between Europe and the United States on agriculture is a rivalry between France and the United States for the world's farm produce market. In the GATT talks on agriculture last November, the EC reached an initial agreement with the United States. However, France was against it. Over the months, French political leaders reiterated France's position of no compromise on a number of occasions. On 22 February, Prime Minister Pierre Bérégovoy once again expressed in a tough tone that if the EC puts the resolution to vote, France will exercise its veto power at the risk of EC unity. On the eve of French general elections, although the left and right wings have grave differences on many important policy issues, they share identical views on the question of European-U.S. talks on agriculture. The United States is extremely irritated by this no-compromise position taken by France.

Moreover, France is dissatisfied with protectionist measures adopted by the Clinton administration over the past month or so. The new U.S. Administration blamed the EC for "unfair competition" with the United States in steel, aviation, and other industries and has thus adopted corresponding "punitive measures," imposing high tariffs on steel exported by these countries to the United States. France is included in every punitive measures adopted by the United States. Showing no impression of weakness, France also gave tit for tat immediately. Mitterrand criticized, without mentioning the name, the United States for pursuing "an aggressive trade policy," "which had imperialist ambition." If the United States wants to fight a trade war, he said, France is ready to take the challenge.

France had expected that the European-U.S. trade conflict could be eased when Clinton, who pursues a "free

trade" principle, assumes office. At the talks on agriculture held last year, France even played the "time difference" card, in an attempt to settle the problem after the new President assumed office. But France is now deeply disappointed. Although Clinton's policy toward Europe is not yet announced, France has realized from the new measures adopted by the U.S. Administration that Clinton is most concerned about the economic interests of the United States. The United States will continue to maintain ties with Europe, but this will no longer be the focus of its policy. An article carried in *LIBERATION* said Bush has laid the gunpowder and Clinton is striking the match. Under the great pressure of the entrepreneurs and in front of the demonstrations waged by the unemployed, the Republicans or the Democrats will have no option but to wield the magic wand of protectionism.

Despite the contradictions and difficulties, Mitterrand has decided to visit the United States. Whoever started the trouble should end it. The problem between France and the United States can only be resolved by the two sides through talks. Although protectionism is prevailing in French-U.S. relations, the two sides are merely having a psychological trial of strength in the trade war. They will have to think twice before fighting a real war because it does not conform to the trend and to the interests of the majority of the consumers.

Moreover, Mitterrand believes that good personal ties with the new U.S. President will be useful to the settling of numerous difficult international issues in the future.

UN Envoy on 'Interference' in Human Rights
OW0903235193 Beijing XINHUA in English
2337 GMT 9 Mar 93

[Text] Geneva, March 9 (XINHUA)—China says today that it does not support nor does it accept any outside infiltration, interference or subversion by various means, under the pretext of protecting human rights.

Shao Wenhong, a Chinese alternate representative, made the statement here when commenting on the draft of a declaration on the right and responsibility of individuals, groups and organs of society to promote and protect universally recognized human rights and fundamental freedoms.

Speaking at the 49th session of the U.N. Commission on Human Rights, Shao said the interference in others in the name of human rights might endanger the security, territorial integrity and unity of sovereign states.

"We hold that nothing in the draft declaration should be construed as encouraging or approving activities aimed at endangering the sovereignty and security of a sovereign state by any person, through any means or on any ground," she said.

Meanwhile, she said the declaration should thoroughly reflect the relationship of interdependence of the two categories of human rights, particularly, the basic human

rights to subsistence and development which are of great concern to the developing countries.

However, the present draft has given no expression to the questions of concern to the developing countries.

Each country has its own concrete conditions, thus the action taken by each state in accordance with the will of its own people in protecting human rights should receive necessary affirmation and respect, she said.

"It is regrettable, however, that such a relationship has not been reflected properly in the current draft declaration," she said.

Furthermore, she said, "unity of rights and obligations of individuals is a universally applicable principle in the laws of all countries."

"As a matter of fact, the reasons on the interaction between rights and obligations are evident and indisputable," she said.

"However, the current draft enumerates in full detail the rights enjoyed by individuals, groups and organs of society, but states their obligations simply and ambiguously," said the Chinese alternative representative.

"An unbalanced text as such will not be able to guide countries in carrying out their activities of the protection and promotion of human rights in a fair and comprehensive manner," she added.

Li Peng Plans Visit to CIS States, Mongolia

*OW1003051193 Tokyo KYODO in English 0447 GMT
10 Mar 93*

[Text] Beijing, March 10 KYODO—Chinese Premier Li Peng will pay an official visit to Mongolia on May 7 and 8 at the end of a five-nation tour, a move seen as virtually confirming that he will be reelected to serve a second term at this month's Eighth National People's Congress, diplomatic sources said Wednesday [10 March].

They said Li is scheduled to visit the former Soviet republics of Kazakhstan, Kyrgyzstan, Turkmenistan and Uzbekistan in central Asia before his short trip to Mongolia.

Widely regarded as a wooden performer who lacks the economic acumen to spur China's modernization drive, Li is believed to have been accorded a second term as premier in a move to appease conservative Communist Party elders and maintain a semblance of political unity, analysts said.

Li will be the first Chinese premier to go to Ulaanbaatar for more than 30 years in what is a reciprocal gesture following a visit to Beijing by former Mongolian Prime Minister Dashiyn Byambasuren last May.

Officials from the two governments have already begun work on a series of protocols which Li is expected to sign during his visit, the sources said.

Chen Xitong Prepares for Olympic Inspection Team

*SK0903081493 Beijing BEIJING RIBAO in Chinese
13 Feb 93 p 1*

[Text] Beijing has entered a crucial stage of applying for hosting the Olympic Games. The IOC inspection team will come to Beijing to conduct inspections in early March. Yesterday, Chen Xitong, chairman of the Beijing 2000 Olympic Games Bid Committee, heard reports on how to receive the inspection team, and called on all departments, all districts and counties and the broad masses of people to take actions actively, to further emancipate minds, to work harder, and to push all fields of work in Beijing to a further extent while striving for hosting the Olympic Games.

To enable the inspection team to learn more easily about Beijing's preparatory work for hosting the Olympic Games, Chen Xitong called on relevant departments to warmly receive the inspection team, give reports conscientiously and specifically, and explain Beijing's actual conditions for hosting the Olympic Games in a more lively manner. The facilities of stadiums and gymnasiums are the basic conditions. Some of the stadiums and gymnasiums in Beijing are concentrated in certain areas while others are scattered in various places. In addition to guaranteeing the needs of holding large-scale international sports competition, they are also convenient for the broad masses of people to hold all kinds of sports activities at ordinary times. This is absolutely in conformity with the Olympic spirit. For example, security is a matter of prime importance during the Olympic Games period. Our political situation has been stable, the economy has been well developed, the people's living has improved, and the social situation has been stable. For every 1,000 Beijing citizens, only 1.7 criminal cases are reported, which is the lowest among other big cities in the world. This is also a major advantage of Beijing. As another example, our country's population will reach more than 1.2 billion by the year of 2000. More people will have television sets and more people will watch television programs by that time. In China alone, some 1 billion people will watch the grand Olympic Games to be held in the year 2000. This will be the best chance for popularizing the Olympic spirit. Chen Xitong called for efforts to do a better job in receiving and briefing the inspection team, conscientiously hear and open-mindedly solicit opinions from the inspection team, and further improve their work.

Currently, the municipal situation in building spiritual civilization is not as good as in the Asian Games period. Some people in particular do not observe traffic rules, making the traffic order very poor. Chen Xitong stressed: It is necessary to strictly observe traffic rules

while mobilizing and encouraging the masses to supervise the traffic. The unhealthy phenomena of failing to observe traffic order must be exposed in newspapers and on television. Efforts should be made to clear the garbage in a timely manner, never leave a dirty area uncleaned, and mobilize organs and schools, particularly hotels and shopping malls, to use balloons, color flags, streamers, and picture posters to vividly decorate the surroundings, to form an enthusiastic atmosphere, and to publicize and promote the Olympic spirit in a better manner.

Wu Shaozu, Zhang Baifa, He Luli, Li Runwu, Han Boping, Wan Siqian, and Wei Jizhong attended the meeting.

Yang Shangkun Appoints, Removes Ambassadors

OW1003120593 Beijing XINHUA Domestic Service in Chinese 1017 GMT 10 Mar 93

[Text] Beijing, 10 Mar (XINHUA)—In accordance with a decision of the National People's Congress Standing Committee, PRC President Yang Shangkun has made the following appointments and removals of Chinese ambassadors:

1. Remove Zhang Dewei as PRC's ambassador extraordinary and plenipotentiary to the Socialist Republic of Vietnam.

Appoint Zhang Qing as PRC's ambassador extraordinary and plenipotentiary to the Socialist Republic of Vietnam.

2. Remove Wang Yusheng as PRC's ambassador extraordinary and plenipotentiary to the Republic of Colombia.

Appoint Yu Chengren [0205 2052 0088] as PRC's ambassador extraordinary and plenipotentiary to the Republic of Colombia.

3. Remove Zhang Deliang as PRC's ambassador extraordinary and plenipotentiary to the Hashemite Kingdom of Jordan.

Appoint Wang Shijie as PRC's ambassador extraordinary and plenipotentiary to the Hashemite Kingdom of Jordan.

Japanese Purchasing Group Arrives at Trade Fair

OW0603081693 Beijing XINHUA in English 0653 GMT 6 Mar 93

[Text] Shanghai, March 6 (XINHUA)—A Japanese purchasing group has arrived in Shanghai, China's leading industrial center, to attend the ongoing '93 East China Export Commodities Fair.

The group was organized by the Japan External Trade Organization, which sent a similar group to attend the '92 East China Export Commodities Fair, also in Shanghai.

According to statistics, it concluded business totalling 4.4 million U.S. dollars-worth at last year's fair and 4.5 million U.S. dollars-worth later.

A local official said that during its stay in Shanghai, the group will visit and inspect the Pudong new development area, department stores and factories.

United States & Canada

Further on Former Secretary George Shultz Visit

Meets Zou Jiahua

OW1003103793 Beijing XINHUA in English
1029 GMT 10 Mar 93

[Text] Beijing, March 10 (XINHUA)—Chinese Vice-Premier Zou Jiahua met with former U.S. Secretary of State George Shultz at the Diaoyutai State Guesthouse here this afternoon.

The two sides exchanged views on Sino-U.S. economic and trade cooperation and other issues of common interest.

Present at today's meeting were Gan Ziyu, Chinese vice-minister of the State Planning Commission, Vice-Foreign Minister Liu Huaqiu and U.S. Ambassador to China Stapleton Roy.

After the meeting, Zou and Shultz attended a signing ceremony for an agreement on engineering cooperation in and outside China between China International Engineering Consulting Corporation (CIECC) and the China branch of the U. S. Bechtel Group.

The U.S. Bechtel Group is well-known in the world for its consultation, designing and engineering in fields of petroleum, chemicals, electricity and other infrastructural projects. Shultz is the group's director and senior counselor.

CIECC is China's largest engineering consulting corporation.

Meets Jiang Zemin

OW1003131293 Beijing XINHUA in English
1255 GMT 10 Mar 93

[Text] Beijing, March 10 (XINHUA)—Jiang Zemin, general secretary of the Chinese Communist Party Central Committee, met with visiting former United States Secretary of State George Shultz here tonight.

During the 40-minute meeting, they had a wide-ranging discussion on the Sino-U.S. relations as well as other issues of common interest, according to a Chinese official.

Jiang appreciated Shultz for his prolonged efforts in promoting Sino-U.S. ties. He also briefed Shultz on China's latest developments in stepping up the reform,

opening itself still wider to the outside world and advancing the economic construction.

During the meeting Shultz spoke highly of China's economic achievements. He also analyzed the present-day economic situation in the Western world.

After the meeting, Jiang hosted a dinner in honor of Shultz and his party.

Chinese Vice-Foreign Minister Liu Huaqiu was present at the meeting and dinner.

Outgoing Envoy Gives Farewell Reception in U.S.

OW0903093693 Beijing XINHUA Domestic Service in Chinese 1018 GMT 5 Mar 93

[Text] Washington, 4 Mar (XINHUA)—Zhu Qizhen, outgoing Chinese ambassador to the United States, gave a reception at the embassy this evening. Representatives of various circles and the Chinese community in the United States, over 600 in all, attended the reception on invitation.

Among the guests were Wharton, deputy secretary of state; Clark, assistant secretary of state; Haig, former secretary of state; Senators Simpson and McConnell; and Representative Leach.

Over the past few days, Zhu Qizhen paid farewell visits to U.S. Secretary of State Christopher, National Security Adviser Lake, U.S. Trade Representative Kantor.

Zhu Qizhen is scheduled to leave Washington for home on 5 March.

Locomotive Builder To Cooperate With U.S. Firm

OW0803185793 Beijing XINHUA in English 1544 GMT 8 Mar 93

[Text] Hong Kong, March 8 (XINHUA)—The largest diesel locomotive manufacturers in China and the United States will cooperate in developing diesel locomotives mostly for exports.

A 14-million U.S. dollar joint venture contract was signed between the Dalian Diesel Locomotive Plant of China and the General Electric Company of the U.S. (GE) at the opening ceremony of the Dalian Economic and Trade Fair here today.

The contract said that the two locomotive makers will jointly set up a venture, the GE-Dalian Locomotive Company, to develop diesel locomotives, of which about 70 percent of the products will be exported.

The Dalian Diesel Locomotive Plant, set up in 1901, has made more than 2,500 diesel locomotives and exported some of its products to southeast Asian countries. Over half of diesel locomotives in operation in China are made in the factory.

Academy Buys Copyright on U.S. Computer Books

OW1003074793 Beijing XINHUA in English 0730 GMT 10 Mar 93

[Text] Beijing, March 10 (XINHUA)—The Chinese Academy of Sciences (CAS), top scientific institution of the country, has signed an agreement to buy the copyright on 15 computer books from the Microsoft Corp. of the United States.

"This is a significant event after China and the U.S. signed an intellectual property agreement a year ago," said Professor Zhang Hong, an official from CAS, who signed the agreement on behalf of the academy.

"CAS will ask all its high-tech companies to strictly follow the international practice of protecting intellectual property and copyright," Zhang said.

The Beijing Hope Computer Company under CAS will be responsible for the translation and publication of these books, according to Zhang.

Central Eurasia

'Roundup' on Russia's 'Protracted Power Struggle'

OW0903143593 Beijing XINHUA in English 1418 GMT 9 Mar 93

["Roundup" feature]

[Text] Moscow, March 9 (XINHUA)—The emergency session of the Russian Congress of People's Deputies tomorrow will bring to a climax its protracted power struggle with President Boris Yeltsin.

The Eighth Session of the Congress will discuss the desirability of staging a national referendum on April 11 to decide whether it or the president should rule the country.

The executive and legislative organs of the country have been locked in battle over the past two years, each trying to gain the upper hand over the other.

Yeltsin holds that the country operate under the presidency system, restricting the power of Congress, to ensure the full development of his on-going economic reforms.

But his main rival, parliamentary Chairman Ruslan Khasbulatov, asserts that the government has striven to dictate to the Congress and he warns of the danger of autocracy. He also insists that Congress should have supreme power to ensure democracy in the country.

On the planned referendum, Khasbulatov claims that it would further worsen the country's already severe economic situation and trigger social instability and even total collapse.

But Yeltsin for his part insists that the referendum be held on time in a bid to solve the constitutional crisis.

The country's Constitution was adopted in 1978, when Russia was a republic of the former Soviet Union and over 320 articles in it have since been amended.

However, Article 104, specifying that the Congress is the highest organ of the country, remains unchanged.

According to Yeltsin, the failure of the Constitution to specify the division of power has triggered the current crisis. He is calling for it to be nullified and a committee set up to draft a new one.

But Khasbulatov wants the present Constitution to be maintained so as to restrict presidential power and prevent autocracy.

Yeltsin had warned last week that he planned to take "extreme measures" if the "conservatives" resume power in the coming emergency session. But he did not give details of his plan.

Congress Special Session Opens

OW1003091193 Beijing XINHUA in English
0856 GMT 10 Mar 93

[Text] Moscow, March 10 (XINHUA)—The Russian Congress of People's Deputies, which today is meeting in its eighth special session, will decide whether to hold a national referendum scheduled next month.

The two-day session, which began at 10 A.M., also will discuss whether the executive branch and its President Boris Yeltsin should abide by the Constitution.

Analysts said the session would bring to a climax a protracted power struggle between Yeltsin and the Russian Congress. However, Yeltsin suggested the session would be held "peacefully and without fist-fighting."

The executive branch and Congress have been locked in battle over the past two years. Recently it became more acute, with each trying to gain the upper hand.

A national referendum, scheduled for April 11, would decide whether the president or Congress should rule the country.

On Tuesday [9 March], Russian Khasbulatov, president of Russia's Congress of People's Deputies, said in a news briefing here that Yeltsin must be held responsible if the national referendum fails to produce results.

He said failure of the national referendum on power would weaken state authority, to say nothing of wasting billions of rubles.

Hong Kong Firm Plans Trade Zone With Kazakhstan

HK1003092693 Beijing ZHONGGUO XINWEN SHE
in English 0924 GMT 10 Mar 93

[Text] Beijing, March 9 (CNS)—A plan is now underway to establish a free trade zone on the China-Kazakhstan border involving China, Kazakhstan and Hong Kong. Discussions on the plan were held here yesterday at which noted Chinese economist Mr. Dong Fureng presided.

The initiator of the plan is Hong Kong industrialist and member of the Chinese People's Political Consultative Conference (CPPCC), Mr. Chong Wing-king, who is managing director of the Yat Chau Company Ltd. The company signed separate agreements with the People's Government of the Kazakh Autonomous Prefecture of Ili in the Xinjiang Uygur Autonomous Region and a regional government in Kazakhstan for the 50-year lease of 115 hectares of land each from China and Kazakhstan at a place adjacent to China's port of Huoguosu.

The company will spend RMB 200 million to RMB 400 million on the construction of a trade centre, a hotel, an office building, an apartment building, a standard factory building and a goods storage area. The free trade zone will be equipped in five years' time with a medical centre for traditional Chinese medicine and an airport. The 230-hectare free trade zone running across the China-Kazakhstan border will be fenced, making it an enclosed duty-free area.

Experts said they were convinced that seen from the long-term view the zone was likely to develop into an economic and trade centre as well as a financial centre for five Central Asian member countries of the Commonwealth of Independent States and Northwestern China where it will become a goods distribution centre as well as a shopping and tourist spot.

Northeast Asia

Group Demands War Compensation From Japan

HK1003022693 Hong Kong THE STANDARD in
English 10 Mar 93 p 10

[Report by S.L. Law]

[Text] There are fresh demands that the Chinese government press Japan into compensating for Tokyo's World War II aggression.

Members of a citizens' group, called the Preparatory Committee for Japanese War Reparations, had sent letters "from all over the country" to leaders ahead of the National People's Congress (NPC) annual session next week, a spokesman said.

"We demand that Japanese pay victims of the war 180 billion yuan (about HK\$240 billion)," the spokesman, who identified himself only as Feng, said.

The umbrella group, which says it has 300,000 members across the country, last spearheaded demands for compensation before a historic visit by Japanese Emperor Akihito in October.

In Shanghai, a veteran activist has challenged the Communist Party to hold China's first referendum on whether to overturn a 1972 decision exempting Japan from paying reparations.

In an open letter to the NPC, activist Bao Ge said:

"It was regrettable that the communist government did not put the issue to the Standing Committee of the NPC, which is China's highest-power body as stated in the constitution, before making the concession to Japan in 1972." He said the sensitive issue of reparations could lead to "political upheaval" if it was not urgently addressed.

In a reference to the 1989 Tiananmen Square crack-down, he wrote: "If this method is considered in the future when deciding on important national issues, then a tragedy like 4 June will not happen again."

The authorities detained Bao ahead of Akihito's visit to stop him from carrying out a threatened hunger strike. At the time, several other activists around the country were also detained.

Trade With Japan Shows 'Rapid Growth' in 1992

OW0903143093 Beijing XINHUA in English
1413 GMT 9 Mar 93

[Text] Beijing, March 9 (XINHUA)—China's trade with Japan, its second largest trade partner, witnessed rapid growth in 1992, with a total trade volume of 25.38 billion U.S. dollars, according to the latest statistics from China's customs offices.

The figure represents a 25.3 percent increase in China's trade with Japan over the previous year, and accounts for 15.3 percent of the country's total foreign trade.

Last year, China's volume of imports from Japan reached 13.68 billion U.S. dollars, a rise of 36.4 percent over the previous year, and accounted for nearly 20 percent of China's total imports.

China's exports to Japan last year reached 11.7 billion U.S. dollars, an increase of 14.5 percent over the preceding year, and accounted for about 15 percent of total exports.

In 1992, China witnessed an import volume from Japan of 6.66 billion U.S. dollars through general trade, an increase of 24.5 percent.

Also through general trade, China's exports to Japan amounted to 8.06 billion U.S. dollars, a rise of 6.2 percent, which accounted for nearly 70 percent of total exports.

Last year, China's exports to Japan of processed goods with imported materials reached 2.59 billion U.S. dollars, an increase of about 40 percent over the preceding year.

Its export of processed goods with customer-supplied materials reached 970 million U.S. dollars, an increase of over 40 percent over the year before.

In 1992, electromechanical products topped the list of China's imports from Japan, with a volume of 8.15 billion U.S. dollars, an increase of 52.4 percent over the preceding year.

Last year, China's major exports to Japan included clothing, textiles, shoes, crude oil, processed oil products, coal, aquatic and marine products, cereals, fish products, edible oil seeds, metals, chemicals and wooden products for household application and decoration.

Japanese Automakers Seek Larger Share of Market

HK0703082093 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 7-13 Mar 93 pp 1, 2

[Report by Chang Weimin: "Japanese Auto Makers Keen on China Market"]

[Text] Japan's automaking giants are looking to grab larger shares of China's potentially lucrative market.

Japan's Isuzu Motors Corporation started a light-duty truck manufacturing venture with a Chinese plant in Jiangxi Province that has been licensed by the Japanese company to produce trucks.

Nissan Diesel, a leading truck and bus manufacturer in Japan, will go into business with China's Dongfeng Automotive Corporation, the former Second Automobile Works in Shiyan, Hubei Province.

The joint venture, to be based in Guangzhou, Guangdong Province to produce 5,000 medium trucks and 1,000 60-seat buses a year, is to go into operation in 1994.

Analysts said they believe other Japanese auto makers will follow Isuzu and Nissan Diesel on the same track.

Volkswagen and its co-operative partner—China's First Automobile Works in the northeast city of Changchun—announced early this year that they will develop a co-operative project on manufacturing Audi 100 cars.

Business Weekly has learned that Japanese firms such as Toyota, Daihatsu, Nissan and Mazda are also negotiating with Chinese plants, which have bought Japanese knowhow, for joint-venture deals.

Several Japanese-funded auto making joint ventures will come into being in China before long, an unidentified Japanese source said.

China, with a population of 1.1 billion but with a mere 7 million vehicles, is considered to be the most lucrative market for auto makers in the next century.

Last month, the government urged the automotive industry to present a new development plan.

A plan is now under discussion in industry circles and is expected to be submitted to the central government before long.

According to Cai Shiqing, president of the China National Automotive Industry Corporation (CNAIC), the industry will have to produce 3 million vehicles annually in 10 years or more, or else it would be cornered by Western auto makers, which covet the Chinese market.

Of the targeted 3 million vehicles, 65 percent are to be sedans. China produced 1.08 million cars in 1992. Of them, 180,000 were sedans.

That means the government's original investment, worth several billion U.S. dollars, will have to be multiplied over the next decade.

Foreign auto makers are actively responding to the industry's stance for a great leap forward. Business Weekly was told.

Analysts are looking closely at Japanese companies, who have not yet invested in the Chinese auto industry but seem to be in the process of changing their strategy.

An official from a Japanese auto maker confirmed his firm, like others from Japan, will invest directly in China.

"We're to initiate joint ventures with Chinese instead of just licensing Chinese producers as we did for years," he said.

Over the past decade, many Chinese plants have bought Japanese manufacturing techniques for light trucks, vans and small sedans.

A 15-seat van, developed by Toyota, has been made at the Jinbei Automotive Corporation in Shenyang for about two years. Two other vans, each with six seats and developed by Suzuki and Daihatsu, are being produced at Six Chinese plants.

The yellow vans are now the cheapest and most popular taxis on Beijing streets.

In addition, Chinese plants which had bought technology for a two-ton truck from Isuzu and Suzuki are now the pillars of the country's light truck industry.

The government decided on a development plan on sedan manufacturing in 1986.

The State Council recently reiterated that no new projects beyond the plan will be approved.

Experts, however, said fast development is very likely to throw the initial plan aside.

According to the plan, China's sedan manufacturing should be made up of two joint ventures with Volkswagen in Shanghai and Changchun making Santana and Jetta cars, another two with French Peugeot in Wuhan and Guangzhou producing Citroen and Peugeot models, and the American Chrysler-funded Beijing Jeep Corporation turning out Cherokee Jeeps.

They are called China's "Big Three and Small Three" sedan makers. No more sedan making projects are to be allowed.

'Roundup' on Future Mongolian Election

OW 040309/193 Beijing XINHUA in English
0808 GMT 9 Mar 93

["Roundup" feature]

[Text] Ulanabaatar, March 8 (XINHUA)—The Mongolian Great Hural (parliament) has set June 6 of 1993 for the next presidential election and promulgated a presidential election law under which the president of the Republic will for the first time be directly elected by secret ballot of the voters.

Under the current Constitution passed in January 1992, only the parties seated in the Great Hural have the right to independently or jointly nominate one candidate.

The current Great Hural, elected in June 1992, is composed of members of three parties. The traditionally ruling Mongolian People's Revolutionary Party (MPRP) possesses 71 out of a total of 76 seats. Of the remaining five seats, four belong to the National Democratic Party (NDP) and one is of the Social Democratic Party (SDP).

MPRP, the nation's strongest party founded in 1921, boasts 87,000 members and claims the top three posts of state power—today with Punsalmaagiyn Ochirbat as president, Nachagyn Bagabandy as chairman of the Great Hural, and Puntsagiyn Jasray as premier.

Obviously MPRP occupies a dominant position in the coming presidential election due to its long history as a ruling party.

However, the worsening economic situation in the country has aroused cries of discontent with MPRP all over the country. In addition, the party itself has been split into three factions, which are now locked in fierce fight with one another.

The other two parties which have the right to take part in the June presidential contest, NDP and SDP, have recently decided to jointly nominate one candidate. They are supported by an alliance encompassing four newly established organizations—the Mongolian Democratic Union, the New Progress Union, the Youth Federation and the Collage Student Union.

The "four-party alliance" now proposed that NDP and SDP withdraw from the Great Hural because five seats

they own cannot mean anything in a decision making process but a "hostage" of MPRP.

On March 7 the alliance held a mass rally marking the hunger strike held three years ago. It criticized MPRP for making the economy deteriorate with each passing day since it resumed its one-party rule eight months ago. They demanded the government be reshuffled or simply step down.

According to the presidential election law, the names of candidates should be submitted between March 31 and April 14. Both MPRP and the SDP-NDP alliance are now busy with the nomination work.

Southeast Asia & Pacific

Vietnamese Party Leader Receives Court Delegation

*OW0603135993 Beijing XINHUA in English
1349 GMT 6 Mar 93*

[Text] Hanoi, March 6 (XINHUA)—Nguyen Ha Phan, a member of the Secretariat of Vietnam's Communist Party Central Committee, met today with a delegation from the Chinese Supreme People's Court.

Nguyen, who is also vice-chairman of the National Assembly, told the visitors that the Vietnamese people, party, National Assembly and government cherish a deep friendship for their Chinese counterparts.

He said the Vietnamese are very happy about the restoration and development of bilateral relations. The visit of members of the Chinese Supreme People's Court is sure to enhance understanding between the two peoples and their law organizations, he added.

Nguyen also expressed a hope that more Chinese delegations will come to Vietnam and that friendly cooperative relations between the two countries will develop continuously.

The delegation, led by Xie Anshan, vice-president of the Chinese Supreme People's Court, arrived in Vietnam on February 28. It will visit the southern cities of Ho Chi Minh and Tay Ninh before returning from Ho Chi Minh City on March 10.

Thai Prime Minister Meets Chinese Delegate

*OW1003104793 Beijing XINHUA in English
1019 GMT 10 Mar 93*

[Text] Bangkok, March 10 (XINHUA)—Prime Minister Chuan Likphai said here today that he was satisfied with the development of the friendly relations between Thailand and China.

While meeting with President of the Chinese People's Institute of Foreign Affairs Liu Shuqing, Chuan also

expressed his appreciation of China's reforms, its fast economic development and the role it has played in the region.

Thailand and China have a bright future in economic exchanges, Chuan said. He added that the Thai Government supports Thai businessmen to invest in China. He hoped that the Thai businessmen will receive full support from the Chinese side.

He said the Thai Government welcomes the active participation of China in the development of the Mekong River and Thailand also supports China to rejoin the General Agreement on Tariffs and Trade.

During the meeting, Liu briefed Chuan about China's economic reforms in recent years and the work done by his institute.

Liu arrived here on March 6 and left Bangkok for home today.

Envoy Presents Credentials to Singapore President

*OW1003081093 Beijing XINHUA in English
0556 GMT 10 Mar 93*

[Text] Singapore, March 10 (XINHUA)—Yang Wen-chang, new Chinese ambassador to the Republic of Singapore, presented his letter of credence to President Wee Kim Wee today.

Yang will call on Wong Kan Seng, minister for foreign affairs of Singapore, Thursday [11 March].

Report on Attack on UN Group in Cambodia

*BK0403130593 Beijing China Radio International in
Cambodian 1030 GMT 4 Mar 93*

[Text] A UN Transitional Authority in Cambodia [UNTAC] spokesman on 3 March said Siem Reap district of Siem Reap Province in the northwestern part of Cambodia came under attack on the night of 2 March. A group of nearly 30 armed men raided the district seat and fired many rounds at a position of the UNTAC forces, shattering the windscreen of an UNTAC vehicle. They also surrounded the living quarters of UNTAC military observers. The peacekeeping forces fought back and forced the armed men to retreat. The fighting lasted a day, but no casualties were reported. The UNTAC spokesman added that UNTAC was conducting an investigation into the onslaught.

Meanwhile, an UNTAC military observer in Kompong Speu Province disclosed there were many clashes in the west of the province a few days ago and that several villagers were wounded in the fighting.

Near East & South Asia

Red Cross To Donate Relief Aid to Iran

OW0603102393 Beijing XINHUA in English
1012 GMT 6 Mar 93

[Text] Tehran, March 6 (XINHUA)—The Red Cross of China announced today that it will donate one million yuan (about 180,000 U.S. dollars) in relief aid to flood victims in southern Iran.

According to a press release issued by the Chinese Embassy here today, the relief aid is provided at the request of Iranian Government and the Red Crescent Society of Iran.

The press release said the first shipment of about 10 tons of foodstuffs will arrive in Tehran by air on March 8 and the second shipment of blankets will be delivered some time later.

China is the second country that has offered relief aid to Iranian flood victims. Britain has promised 400,000 dollars of relief supplies to Iran.

The United Nations also has offered some 230,000 dollars to the flood-stricken areas.

In the recent floods which swept 12 provinces in southern Iran, more than 400 people were killed and about 200 others missing.

The floods destroyed thousands of houses, inundated large areas of farmland and damaged roads and railways. The total losses were estimated at millions of dollars.

PRC, Jordan Drop Selected Visa Requirements

OW2702125193 Beijing XINHUA in English
0739 GMT 27 Feb 93

[Text] Beijing, February 27 (XINHUA)—The Governments of China and Jordan will scrap visa requirements for those carrying diplomatic, special and service passports as of March 11, according to the Chinese Ministry of Foreign Affairs.

Under the terms of a Sino-Jordanian agreement reached in Amman on February tenth, citizens of both countries holding valid diplomatic and service passports, or Jordanian citizens with valid special passports, as well as their spouses and children who are minors and share the same passports, will be exempted from obtaining visas when they enter, leave or pass through each other's country.

Report on India's Plan To Make More Warships

OW0403152693 Beijing XINHUA in English
0944 GMT 4 Mar 93

[Text] New Delhi, March 4 (XINHUA)—India will manufacture 12 more warships by the end of the century,

Minister of State for Defense Mallikarjun told the Rajya Sabha (upper house of parliament) today.

The minister said the government was aware of the country's security needs and there had been no reduction in the defense budget.

He said that modernization of the navy was a constant and ongoing development which took into account the threat perception, the country's maritime interests, the likely tasks that the navy might be called upon to perform and the availability of budgetary resources.

Allaying fears of any immediate threat to the country's waters, the minister said that the navy was being maintained in a state of preparedness to handle any exigency that might arise.

Report on India's Plans to Deploy Missiles

OW0503125193 Beijing XINHUA in English
1210 GMT 5 Mar 93

[Text] New Delhi, March 5 (XINHUA)—India will induct surface to surface missile Prithvi (Earth) and surface to air missile Trishul (Trident) into armed forces during 1993-94, the Defense Minister Sharad Pawar said in parliament today.

He said that development work of surface to air missile Akash (Sky) and anti-tank missile Nag (Snake) was expected to be completed by 1995 after which both the missiles were likely to enter service use.

Pawar said that development of the four missile systems is in progress under the integrated guided missile development program.

Prithvi (Earth) is a surface to surface missile of 150 kilometer range which can be extended to 250 kilometer for certain types of warhead.

Trishul (Trident) is a short range surface to air missile having a nine kilometer range while Akash (Sky) is a medium range surface to air missile with a 25 kilometer range.

A third generation anti-tank missile Nag (Snake) has a range of four kilometer.

The program also includes development of intermediate range ballistic missile Agni (Fire) which is a re-entry technology demonstrator project.

West Europe

Zou Jiahua Receives German State Delegation

OW0803143393 Beijing XINHUA in English
1408 GMT 8 Mar 93

[Text] Beijing, March 8 (XINHUA)—Chinese Vice-Premier Zou Jiahua met with U. Thomas, minister of economics of the State of Schleswig-Holstein of Germany, here today.

Thomas and his party arrived here yesterday at the invitation of China's State Planning Commission.

The visitors held talks today with Sheng Shuren, vice-minister of the State Planning Commission. The two sides exchanged views on the further development of economic cooperation and trade between China and Schleswig-Holstein.

The visitors are also scheduled to meet officials from the Chinese Ministry of Foreign Economic Relations and Trade, the Ministry of Machinery and Electronics Industry and the National Shipbuilding Corporation.

Thomas and his party will also visit east China's Hangzhou and Shanghai, where they will contact local entrepreneurs.

NPC's Rong Yiren Meets Italian Delegation

*OW0403105793 Beijing XINHUA in English
0841 GMT 4 Mar 93*

[Text] Beijing, March 4 (XINHUA)—Rong Yiren, vice-chairman of the Standing Committee of the National People's Congress (NPC) of China, met with a delegation of Italian parliamentary members here this afternoon.

The two sides exchanged views on furthering Sino-Italian relations.

The delegation, headed by Matteo Piredda, member of the Italian Chamber of Deputies, arrived here February 28 as guests of the Chinese People's Association for Friendship With Foreign Countries.

Latin America & Caribbean

Reportage on Qian Qichen's Trip to Latin America

Chairs Joint Mexican Committee

OW1003034293 Beijing XINHUA Domestic Service in Chinese 0757 GMT 5 Mar 93

[By reporter Feng Junwei (7458 0193 0251)]

[Text] Mexico City, 4 Mar (XINHUA)—The eighth meeting of the Sino-Mexican Mixed Committee for Economic Cooperation and Trade and the second meeting of the Sino-Mexican Mixed Committee for Scientific and Technological Cooperation concluded here this afternoon. The two sides signed the minutes of the meetings.

The Sino-Mexican Mixed Committee for Economic Cooperation and Trade discussed policy governing Sino-Mexican trade, as well as economic cooperation and other issues. It reiterated the wishes of the two governments to expand bilateral trade and economic cooperation. In economic cooperation, the two sides proposed new fields of cooperation and new projects. The projects proposed by the Chinese side encompassed textiles,

plastics, light industrial products, and processing, while those put forward by the Mexican side involved tanned hides, fisheries, home electrical appliances, and the processing of light industrial products. The minutes of the meeting note: The current levels of trade and cooperation are incompatible with the potential economic growth of the two countries. Both countries will work hard to improve the levels of trade and cooperation.

The Sino-Mexican Mixed Committee for Scientific and Technological Cooperation reviewed progress in implementing the first cooperation plan. It unanimously concluded that cooperation was greater than expected. The two sides adopted a second plan for scientific and technological cooperation for 1993 to 1994. They agreed to hold a third meeting in Beijing in 1994.

The meetings of the two mixed committees opened on 2 March. Qian Qichen, Chinese state councillor and foreign minister, and Fernando Morales Solana, Mexican secretary of foreign relations, chaired the opening ceremonies.

Uruguayan Minister on Relations

OW1003040293 Beijing XINHUA Domestic Service in Chinese 0859 GMT 5 Mar 93

[By Reporter Liang Rongke (4731 2837 4430)]

[Text] Montevideo, 4 Mar (XINHUA)—Uruguayan Foreign Minister Sergio Abreu Bonilla noted here today that Uruguayan-Chinese relations have developed smoothly since the establishment of diplomatic ties in 1988, and that the relationship will develop further in the future.

He made the above remarks to this reporter at his office on the eve of a visit to Uruguay by Qian Qichen, China's state councillor and foreign minister.

Sergio Abreu said that politically the two countries have not encountered any obstacles in the development of relations. In the area of trade, China has a special and important significance to Uruguay. He noted the rapid development of bilateral trade and the signing of some 10 trade agreements between the two nations since the establishment of ties. China's imports of wool from Uruguay constitutes over 80 percent of all of Uruguay's wool exports. The fact that China is a big market particularly attracts Uruguay. He said that Uruguay will further develop a trade relationship with China and that Uruguay will strive to balance this trade.

Sergio Abreu Bonilla welcomed Foreign Minister Qian Qichen's forthcoming visit, saying that Qian Qichen's visit would surely enhance bilateral relations. He added that the two countries' foreign ministers will sign an "Agreement Between the Foreign Ministries of the Two Countries on the Establishment of the System of Political Consultations" during Foreign Minister Qian Qichen's visit. As a political agreement, he pointed out that the agreement will be vitally important to both countries.

Qian Meets Uruguayan Minister

OW0903181593 Beijing XINHUA in English
1804 GMT 9 Mar 93

[Text] Montevideo, March 9 (XINHUA)—Visiting Chinese State Councillor and Foreign Minister Qian Qichen and his Uruguayan counterpart Sergio Abreu have held talks over bilateral relations and issues of mutual concerns.

Following the talks held Monday [8 March] afternoon, Qian said that in spite of the fact that diplomatic relations between the two countries were established not long ago, Uruguay has already become an important Latin American political and trade partner for China.

He added that China has become Uruguay's largest customer of wool and trade between both countries has reached a sustained development. He also expressed the hope that both countries will make joint efforts based on mutual respect, equality and mutual benefit to develop their relations of friendship and cooperation in all fields.

The foreign minister, who was here on an official visit, said he approved Abreu's taking on the post of chairman of the Negotiating Committee in the Uruguay round of GATT (General Agreement on Tariffs and Trade) talks

and greatly appreciated his efforts to bring the round of talks to a successful ending. He also expressed his gratitude for Uruguay's support in restoring China's membership in the GATT.

Qian said China attached great attention to the Rio group's role in international affairs and wanted to maintain stronger links with the group.

Qian is traveling five Latin America nations which include Mexico, Brazil, Uruguay, Argentina and Chile.

In the meeting, Foreign Minister Abreu spoke about Uruguay's wish to explore the feasibility of expanding the bilateral trade between Uruguay and China.

He also said the GATT was incomplete without China and this problem must be solved.

Uruguayan Reportage on Qian Qichen's Visit

WA1003080093

For Uruguayan reportage on the visit by Foreign Minister Qian Qichen to Uruguay, including reports on his talks with President Lacalle, please see the Uruguay section of the 9 March and subsequent issues of the Latin America DAILY REPORT.

Political & Social**18 Catholic Clerics Reportedly Released***HK1003044493 Hong Kong AFP in English 0417 GMT
10 March 93*

[Text] Beijing, March 10 (AFP)—China recently freed 18 Catholic clergymen, but has ruled out an early release for Wei Jingsheng, the country's longest-serving political prisoner, an American human rights activist said Wednesday [10 March].

The bishops and priests were released from penal institutions over the last two to three months, in an apparent attempt by Beijing to boost its chances of hosting the 2000 Olympic Games, activist John Kamm said.

"China will be making efforts to burnish its image in anticipation of the decision on the Olympic Games," he said. "Certainly having priests and bishops in jail does nothing for their image."

The clergymen were from all over the country, indicating their release was organized, but Chinese officials told Kamm it was "pure coincidence."

Kamm, a Hong Kong-based businessman, met with senior leaders from several Chinese ministries, and said there was no hope that Wei, 42, would be released before the completion next year of his 15-year sentence.

"They will not release him early. They all but ruled it out," Kamm said.

Wei was a driving force behind the Democracy Wall Movement of the late 1970s and attacked leader Deng Xiaoping for rejecting democracy. Like most of China's political prisoners, he was jailed for "counter-revolutionary" crimes.

In an unusual disclosure, Kamm was told that penal officials had been taking him out of jail to see economic reforms and even drove him to Beijing late last year, allowing him to walk around a high-technology zone.

Officials left open the possibility that leading activists from the 1989 Tiananmen Square protests might be freed early, Kamm said. China recently freed several other 1989 dissidents, including student leader Wang Dan.

Beijing was also considering possible legal reforms that would eliminate "counter-revolutionary" crimes and possibly restructure the country's labor camps to provide better treatment for dissidents, the activist said.

"There has been a raging debate within the government about eliminating counter-revolution," he said, adding however that he was told not to "expect that this will happen in the very near future."

Activist on Details of Wei Jingsheng's Detention*HK1003070893 Hong Kong AFP in English 0642 GMT
10 March 93*

[Text] Beijing, March 10 (AFP)—China has ruled out an early release for Wei Jingsheng, the country's longest serving political prisoner, but he has been allowed to see outside his prison walls for the first time since 1979, a human rights activist said here Wednesday.

Chinese officials said 18 Catholic activists had been released from prison within the last three months and hinted there could be more to come, American activist John Kamm told reporters.

But there was little hope that Wei, 42, would be released from a labor camp near Tangshan, in northeastern China, before the end of his 15-year sentence in March next year, Kamm said after talks with several ministries.

"They will not release him early. They all but ruled it out," Kamm said.

Wei was a driving force behind the Democracy Wall Movement of the late 1970s and attacked leader Deng Xiaoping for rejecting democracy. Like most of China's political prisoners, he was jailed for "counter-revolutionary" crimes.

"Wei Jingsheng continues to maintain a very strong anti-government position, he remains completely unrepentant, continues to oppose socialism and is prone to making unreasonable requests, like being able to sleep late in the morning and go to bed late at night," Kamm quoted officials as saying.

But in an unusual disclosure, Kamm was told that penal officials had been taking Wei out to witness first-hand China's economic reforms and even drove him to Beijing late last year, allowing him to walk around a high-technology zone in the city's university district.

"They have been taking him out of jail and driving him to see the economic miracle," Kamm said, but Wei, a former electrician, was still described as uncooperative.

China recently freed several dissidents, including Wang Xizhe, one of Wei's contemporaries, and Wang Dan, a student leader of the 1989 Tiananmen Square demonstrations.

Officials "left the door open" for the early release of other leading 1989 activists, but gave no specific indications to that effect, Kamm said.

Dissident Editor 'Recovering' After Release*HK1003031093 Hong Kong SOUTH CHINA
MORNING POST in English 10 Mar 93 p 11*

[By Daniel Kwan]

[Text] Dissident editor Li Guiren is slowly recovering at his home in Xian after he was released from prison three weeks ago, according to sources close to the family.

The editor, who was jailed more than three years ago for trying to organize a strike in the central China city after the 1989 crackdown in Beijing, had been told that he should avoid foreign visitors. But unlike other dissidents, Li apparently has not been visited by police since his release.

According to sources who have met Li after his release, the 50-year-old editor of the Hua Yue Publishing House looked fragile, but in good spirits and did not appear to have suffered serious torture in prison.

Li was sentenced to five years in jail in 1989 on "counter-revolutionary" charges and was reportedly critically ill in prison. It was believed that he suffered from heart disease and gallstones. His health deteriorated rapidly due to malnutrition in prison. While in prison, Li who has lost all his teeth, reportedly ate little partly because of abdominal pains.

In late February, he was paroled to receive medical treatment when Beijing set free prominent student leaders Wang Dan and Guo Haifeng as well as Catholic priest Zhu Hongsheng.

Despite his ordeal, Li has not admitted his alleged crime and insisted his trial was illegal.

Little known to the outside world, the humanist editor was esteemed in the mainland literary circle and has written many articles and reviews of other dissident authors and artists.

Families Appeal for Release of 2 Dissidents

HK0903084193 Hong Kong SOUTH CHINA
MORNING POST in English 9 Mar 93 p 4

[Article by Willy Wo-lap Lam]

[Text] The families of two Shanghai citizens who were arrested for allegedly "colluding" with America-based dissident Mr Wang Ruowang have appealed to the authorities for their immediate release.

Fu Jiqing, 46, an engineer, and Sun Lin, 36, a former painter and photographer, were detained by Shanghai police on March 1.

No reasons were given to their relatives who suspected, however, that it had to do with their friendship with Mr Wang, an internationally-known writer who was allowed to leave for the United States last year.

Fu's mother-in-law, Mrs Yao, speaking from their Shanghai apartment yesterday, said: "The police never told us why they took Jiqing away or when she would be freed. The same night of the arrest, they came and took away some of her papers."

Sources in the dissident community in Shanghai said the police had moved against Fu and Sun in a bid to sever Mr Wang's links with his old "network".

"The security officers seem convinced Wang is masterminding the small democracy movement in Shanghai by remote control," a source said.

"This is totally untrue as Wang's is only one voice among the various pro-democracy groups in this city."

The source said Fu and Sun were being held under the classification of "criminal detention," which meant the authorities had up to 10 days to determine whether they would be "formally arrested" and, later on, charged with a criminal offence.

"There is a possibility the two may be released before the 10 days are up," he said.

A friend of Sun said yesterday that the day before his arrest, the former photographer had received a fax from Mr Wang.

The fax said together with U.S.-based dissidents Professor Fang Lizhi and Mr Liu Binyan, Mr Wang would in April or May hold a broad-based seminar in Sydney, on the future of the overseas dissident movement.

Also in the fax were messages that the trio had sent to democracy activists inside China.

"Shanghai police have in recent weeks talked to a number of active or retired democracy activists with a view to finding out what they plan to do," the friend said.

"There are divisions in the Communist Party on how to handle the democracy movement."

State Executes 2,552 Criminals in Jan 1992

HK0903091993 Hong Kong CHENG MING in Chinese
No 185, 1 Mar 93 p 20

["Reference News" by Yu Hsin (0151 1800): "More Than 2,000 People Executed Before Spring Festival"]

[Text] According to Ministry of Public Security sources, between New Year's Day and the Spring Festival, more than 29,600 criminals of all types were sentenced throughout China, of which 2,552 were sentenced to death and immediately executed. More than 18,000 people were sentenced to imprisonment of 10 years or more.

In a period of more than one month, over 42,700 people suspected of committing various crimes were detained and arrested. The public security organs and the armed police force initiated more than 25,000 actions, cracking and eliminating over 630 crime syndicates of all types. Jurists in Beijing held different opinions on the anticrime campaign, holding that the principle of taking the law as a yardstick and taking facts as the basis is affected by these types of actions.

Figures Released on Demonstrations, Strikes

HK0903131593 Hong Kong CHENG MING in Chinese
No 185, 1 Mar 93 p 19

[Article by Lu Yen (7120 3601): "Statistics on Demonstration Cases in China in 1992"]

[Text] No regime in the world would like to see its people frequently take to the streets to stage demonstrations and protests, because this indicates dissatisfaction with the ruling authorities. In countries under totalitarian rule, most spontaneous popular demonstrations are considered illegal. The fact that people are willing to run the risk of being charged with "lawbreaking" for their rallies and demonstrations to protest against the ruling authorities is indeed the most obvious reflection of the "unpopularity" of the ruling authorities.

The CPC's Ministry of Public Security published the "Report on the General Situation of Illegal Demonstrations, Assemblies, Strikes, and Commercial Strikes in Various Localities, Rural Areas, Industrial and Mining Enterprises, and Units in 1992" in early February.

The report states that more than 540 cases of illegal demonstrations and assemblies, more than 480 cases of strikes and commercial strikes, and 75 cases of incidents in which party and government offices were assaulted occurred in 1992.

In Beijing Municipality, seven demonstrations and assemblies and six strikes took place.

In Tianjin Municipality, three demonstrations and assemblies and five strikes took place.

In Shanghai Municipality, two strikes took place.

In Hebei Province, 18 demonstrations and assemblies and 11 strikes took place.

In Shanxi Province, 22 demonstrations and assemblies and 13 strikes took place.

In Inner Mongolia Autonomous Region, 11 demonstrations and assemblies and 20 strikes took place.

In Liaoning Province, nine demonstrations and assemblies and 20 strikes took place.

In Jilin Province, 12 demonstrations and assemblies and three strikes took place.

In Heilongjiang Province, nine demonstrations and assemblies and 25 strikes took place.

In Jiangsu Province, three demonstrations and assemblies and eight strikes took place.

In Anhui Province, 25 demonstrations and assemblies and 18 strikes took place.

In Zhejiang Province, nine demonstrations and assemblies and 13 strikes took place.

In Fujian Province, three demonstrations and assemblies and eight strikes took place.

In Jiangxi Province, 20 demonstrations and assemblies and 32 strikes took place.

In Shandong Province, two demonstrations and assemblies and 11 strikes took place.

In Henan Province, 10 demonstrations and assemblies and 22 strikes took place.

In Hubei Province, 15 demonstrations and assemblies and 15 strikes took place.

In Hunan Province, 20 demonstrations and assemblies and 30 strikes took place.

In Guangdong Province, 11 demonstrations and assemblies and 12 strikes took place.

In Hainan Province, eight demonstrations and assemblies and nine strikes took place.

In Sichuan Province, 40 demonstrations and assemblies and 38 strikes took place.

In Guangzhou Province, seven demonstrations and assemblies and 19 strikes took place.

In Guangxi Zhuang Autonomous Region, 11 demonstration and assemblies and 15 strikes took place.

In Yunnan Province, six demonstrations and assemblies and 12 strikes took place.

In Tibet Autonomous Region, four demonstrations and assemblies and six strikes took place.

In Shaanxi Province, 17 demonstrations and assemblies and 20 strikes took place.

In Gansu Province, four demonstrations and assemblies and eight strikes took place.

In Qinghai Province, seven demonstrations and assemblies and 12 strikes took place.

In Xinjiang Uygur Autonomous Region, 13 demonstrations and assemblies and 20 strikes took place.

In Ningxia Hui Autonomous Region, five demonstrations and assemblies and seven strikes took place.

In mining industry, there were 120 demonstrations, assemblies, and strikes, with a total of 120,000 people taking part.

In nonferrous metal industry, there were nine demonstrations, assemblies, and strikes, with a total of 1,800 people taking part.

In nonmetal industry, there were 28 demonstrations, assemblies, and strikes, with a total of 200-odd people taking part.

In rare and precious metal industries, there were 14 demonstrations, assemblies, and strikes, with a total of approximately 4,500 people taking part.

In farms, there were 35 demonstrations, assemblies, and strikes, with a total of 38,000-odd people taking part.

In tree farms, there were more than 40 demonstrations, assemblies, and strikes, with a total of 50,000-odd people taking part.

Considering the figures cited in the above document, should the CPC hierarchy conduct a self-examination to discover the root cause of so many people staging demonstrations and protests against the government so that it can take some remedial measures? When the people's dissatisfaction erupts like a volcano, how will the CPC handle the situation?

Jiang Stresses Reduction in State Personnel

HK1003090193 Hong Kong WEN WEI PO in Chinese
10 Mar 93 p 2

[Dispatch from Beijing by staff reporting group: "General Secretary Jiang Zemin Stresses That the Numbers of Work Personnel in State Organs Will Be Reduced by One-Fourth Through Institutional Reform and That a Competitive Mechanism Will Be Established After Streamlining State Organs"]

[Text] Beijing, 9 Mar (WEN WEI PO)—According to an authoritative source here, the reduction in numbers of work personnel in state organs by one-fourth is definitely an important measure which has been adopted in the Chinese Government's structural reform plan. Meanwhile, a competitive mechanism will be established in the organs after the streamlining, to increase the work efficiency of the organs as a whole and offer an unprecedented new measure to the plan. While talking about the plan a few days ago, CPC General Secretary Jiang Zemin particularly stressed this point.

It has been reported that the Central Establishment Committee, responsible for the country's structural reform, held a meeting a few days ago which decided to revise, complement, and readjust the original structural reform plan in three days; draft an explanation in light of the spirit of the Central Political Bureau Standing Committee; and then, after approval by the Political Bureau Standing Committee, submit the revised plan to the Eighth National People's Congress [NPC] for examination. According to the authoritative source, Jiang Zemin said that structural reform should match the objective of a socialist market economic development, effect a change of functions, bring the relations between various sectors into better balance, streamline administration, and increase efficiency. Instead of copying foreign models, it is necessary to proceed from China's national conditions and, in this regard, we should seek truth from facts. He said that the specific plan meticulously organized and planned by the central authorities is designed

mainly for the structural reform of the central government organs. Structural reform of the local organs should be introduced in light of their practical conditions.

This top level leader disclosed that the structural reform plan submitted by the State Council to the First Session of the Eighth NPC for examination and approval is focused on strengthening macrocontrol, regulation, and the supervisory departments and enhancing the functional departments of social management. The reform plan proposes disbanding the State Council's organization departments; organs directly under its jurisdiction; offices and nonpermanent organs; and turning some of the special economic departments into trade management organs. Because a market economic system has yet to take shape, the basic industrial departments related to the national economy and people's livelihood will not be disbanded. Nevertheless, the internal organs should be streamlined, the numbers of staff reduced, and they should not directly meddle in enterprise management.

Because of the great differences in economic development, population, and area for all localities the leader pointed out, the central authorities will delegate decisionmaking powers to the localities in the current structural reform and deal with the local structural establishment accordingly. The following specific requirements exist: The state will set the quotas for the organ and the number of permitted personnel, the necessary organs should be differentiated from the organs established in line with local conditions, and similar organs should not be established at both the top and lower levels. Regional structural reform should be integrated with readjustment of the administrative regions, the agencies at all levels should be drastically streamlined, the prefectures and prefectural cities should be merged if they are situated in the same locality, and the county-level government should turn most of the special economic departments into economic or service entities in light of the orientation of "small organ, big services." According to the authoritative source, the top level leader stressed that the streamlining of organs should be combined with improvement in the structure of organs staff and in personnel quality. As government personnel generally have good qualities, and have management experience and specialized knowledge in certain professions, he said, it is necessary to make appropriate arrangements in the streamlining and realize a rational flow of qualified personnel. The government personnel cut in the structural reform will be assigned to the industrial management, taxation, and political and legal departments; or to the institutions and entities; or to running the tertiary industries.

NPC, CPPCC To Be 'More Open' to Reporters

OW1003101293 Beijing XINHUA Domestic Service in Chinese 0727 GMT 10 Mar 93

[By reporter Sun Benyao (1327 2609 1031)]

[Text] Beijing, 10 Mar (XINHUA)—A responsible person of a relevant department told this reporter that the upcoming first sessions of the Eighth National People's Congress [NPC] and the Eighth National Committee of the Chinese People's Political Consultative Conference [CPPCC] will be more open to the outside world.

Opening wider to the outside world in news reporting constitutes an important hallmark of further opening up the "two sessions" to the outside world. It has been learned that, as of 9 March, reporters who had applied to cover the "two sessions" include nearly 1,000 from the mainland; 135 from Hong Kong, Macao, and Taiwan; and 184 from foreign countries. The total number of reporters is expected to exceed 1,300, far surpassing the 931 reporters of last year and constituting the greatest number of reporters to cover the "two sessions."

During the convening of the "two sessions," press briefings and press conferences will also far exceed any previous session in number and content. As learned, nearly 20 press briefings and press conferences have been arranged, the contents of which deal with the system of people's congresses, the system of multiparty cooperation and political consultation, the building of a socialist market economic system, the upgrading of state-owned large and medium enterprises, the development of village and town enterprises, structural reform, opening up to the outside world, and nationality issues.

It has been learned that this year reporters are welcome to cover the opening, closing, and all plenary meetings of the "two sessions." Some group activities of the NPC delegations will be also open to reporters.

This year, all NPC delegations will have press liaison officers who will provide coverage guidance to local reporters so that they will report their activities in a better way.

The press center of the "two sessions" will set up an inquiry telephone service to answer reporters' questions about the sessions.

The relevant responsible person said that the "two sessions" will fully report China's achievements and experiences in the socialist modernization drive and opening to the outside world, and report the views, opinions, proposals, and demands expressed by NPC deputies and CPPCC members during their discussions of state affairs. The "two sessions" will be convened as democratic sessions of unity and for seeking truth, and for advancement with concerted efforts.

NPC Presidium To Include Deng, 31 Leaders

HK1003023793 Hong Kong THE STANDARD in English 10 Mar 93 pp 1, 2

[By S.L. Law]

[Text] Paramount leader Deng Xiaoping is to sit on the 176-member presidium of the new five-year term National People's Congress (NPC) to make clear his intention to continue wielding influence in the law-making body.

The 88-year-old Deng, on the army delegation, is the only "immortal" of the remaining grand old guards elected a deputy to the Chinese legislature.

The presidium namelist of the Eighth NPC's first session indicated Deng and other leading party and government officials were dominating the group chairing the legislative proceedings.

The document containing the presidium composition that was tabled to the Seventh NPC Standing Committee meeting yesterday said the list was prepared after consultations and with the approval of the NPC executive meeting.

Of the 176 presidium members, 31 are party and state leaders, including all the seven Politburo Standing Committee members, while 37 are in charge of central party, government and military organisations.

Leaders of non-communist parties and of national business federations together with politicians with no party affiliation occupy 16 seats.

Tian Jiyun, who is expected to be given vice-chairmanship of the new Chinese legislature, has been named secretary-general of the presidium, replacing Peng Chong who took charge of the job in the last meeting of the NPC.

Ousted military leader Yang Baibing is on the presidium.

Analysts said as all Politburo members were given seats on the presidium, it was normal that Yang, still a member of the top party organ, should be included.

Hong Kong tycoon Henry Fok, Macao businessman Ma Man-kee and head of the Hong Kong Xinhua News Agency Zhou Nan, who were all members of the presidium of the NPC meeting last year, were on the list as well.

Fok and Ma are both members of the NPC and the Chinese People's Political Consultative Conference (CPPCC).

It is widely speculated that the two businessmen will become vice-chairmen of the united front body CPPCC.

Those who are expected to be given important positions in the state, the government and the party have also been put on the presidium, such as Rong Yiren, Cheng Siyuan, Qian Qichen, Wen Jiabao and Zeng Qinghong.

Catholic bishop Fu Tieshan, a new Beijing delegate to the NPC, is also on the presidium.

The Chinese legislature will begin its new session from Monday with 2,978 deputies to attend the 17-day meeting.

7th NPC Standing Committee Session Closes

OW1003065793 Beijing XINHUA in English 0647 GMT 10 Mar 93

[Text] Beijing, March 10 (XINHUA)—The 31st and last session of the Standing Committee of the 7th National People's Congress (NPC), China's highest legislature, closed here this morning.

The meeting decided to submit the draft agenda for the coming first session of the 8th NPC to its preparatory meeting for deliberation.

It also decided to submit the draft list of the members of the presidium and secretary general to the preparatory meeting for deliberation and election.

It passed in principle the work report of the 7th NPC Standing Committee, which will be delivered later this month at the first session of the 8th NPC by Peng Chong, vice chairman of the NPC Standing Committee.

It adopted a report on the credentials of a deputy to the 8th NPC through by-election, and approved Wang Weizhen from the Inner Mongolia autonomous region as a deputy to the Eighth NPC, which is made up of 2,978 members.

A list of the nonvoting participants at the first session of the 8th NPC was also adopted at today's meeting.

Wan Li Presides

OW1003101593 Beijing XINHUA Domestic Service in Chinese 0834 GMT 10 Mar 93

[Text] Beijing, 10 Mar (XINHUA)—The 31st session of the Seventh National People's Congress [NPC] Standing Committee closed at the Great Hall of the People this morning after adopting several resolutions, including one on submitting the draft agenda for the first session of the Eighth NPC to its preparatory meeting for deliberation.

The session, presided over by Chairman Wan Li, decided to submit the draft list of the members of the presidium and secretary general of the first session of the Eighth NPC to its preparatory meeting for election. It passed in principle the NPC Standing Committee draft work report and, at the same time, authorized the secretary general to make necessary changes in accordance with the members' suggestions after the session concludes. The revised report, after being examined by a chairmanship meeting, will be submitted to the first session of the Eighth NPC for deliberations. It adopted a report by the Seventh NPC Standing Committee Credentials Committee on the credentials of a deputy to the Eighth NPC through by-election. It adopted a list of the

nonvoting participants at the first session of the Eighth NPC and approved a list of personnel appointments.

Vice chairmen present at the session included Peng Chong, Ngapoi Ngawang Jigme, Seypidin Aze, Yan Jici, Rong Yiren, Ye Fei, Liao Hansheng, Ni Zhifu, Chen Muhua, Fei Xiaotong, Sun Qimeng, Lei Jieqiong, and Wang Hanbin.

Wang Weizhen Elected Deputy

OW1003114493 Beijing XINHUA Domestic Service in Chinese 0457 GMT 10 Mar 93

[Text] Beijing, 10 Mar (XINHUA)—The National People's Congress [NPC] Standing Committee hereby issues a public notice:

Wang Weizhen (3769 4850 3791) has been elected through by-election in Inner Mongolia as a deputy to the Eighth NPC. The NPC Standing Committee has agreed with a report by the Credentials Committee on the examination of the credentials of deputies who were elected through by-elections to the Eighth NPC. The NPC Standing Committee hereby reconfirms the validity of the credentials of Wang Weizhen, who was elected through by-election, as a deputy to the Eighth NPC.

It is hereby announced that at present, the number of deputies to the Eighth NPC totals 2,978.

The NPC Standing Committee

10 March 1993

Chairmanship Meeting Adopts CPPCC Agenda

OW0903142593 Beijing XINHUA Domestic Service in Chinese 1016 GMT 8 Mar 93

[Text] Beijing, 8 Mar (XINHUA)—The 51st chairmanship meeting of the Seventh National Committee of the Chinese People's Political Consultative Conference [CPPCC] was held today in Beijing. Vice Chairman Fang Yi presided.

Empowered by the 22d Session of the Seventh National Committee of the CPPCC, the meeting examined and approved the agenda of the First Session of the Eighth National Committee of the CPPCC (draft), namelist of the presidium and general secretary of the First Session of the Eighth National Committee of the CPPCC (draft); namelist of the chairman, vice chairmen, and members of the motions committee of the First Session of the Eighth National Committee of the CPPCC (draft); grouping procedures and namelist of group conveners of the First Session of the Eighth National Committee of the CPPCC (draft); and namelist of nonvoting members of the First Session of the Eighth National Committee of the CPPCC. These drafts will be submitted to the preparatory meeting of the First Session of the Eighth National Committee of the CPPCC for examination and adoption.

Other vice chairmen present at today's meeting were Hong Xuezhong, Gu Mu, Yang Jingren, Wang Guangying, Zhao Puchu, Ma Wenrui, Wang Enmao, Qian Weichang, Hu Sheng, Cheng Siyuan, Lu Jiaxi, Qian Zhengying, Ismail Amat, and Ye Xuanping.

Minister Warns of New Family Planning 'Problem'

HK0903061293 Beijing CHINA DAILY in English 9 Mar 93 p 3

[Report: "Minister Warns of New Birth Problems"]

[Text] China's increasing population continues to slow the country's economic and social development because of the large number of young people entering the child-bearing age, says Peng Peiyun, Minister of the State Family Planning Commission.

This remains a problem, even though China's birth rate has persistently fallen in recent years.

Last year, the national birth rate dropped to 18.24 per thousand, 1.44 per thousand lower than the previous year. However around 21.19 million babies were born.

Population specialists estimate the birth rate will increase in the mid 90s, because the country is entering the peak of its third baby boom.

Last year, 1.4 million people married below the age of 20, 12.9 percent of the total number of newly-weds. The figure for 1987 was 2.78 million and 23.6 percent respectively.

The average age of first-marriage women has risen from 21.8 in 1987 to 22.5 last year.

The increase in the country's transient population from the countryside to cities has also created fresh problems for urban family planning.

Another problem is that many local officials have become complacent about population control, following previous family planning achievements. More and more are turning their attention to economic development.

Peng stresses that family planning work must not be neglected.

She adds that the State will pursue unswervingly a family planning policy that encourages fewer and safer births.

Increasing the average age of newly-weds and first-time parents are also targets.

Peng told the National Conference on Population Statistics that rural birth control remained a central focus of the national strategy.

She said the work should be carried out by improving the quality of rural family planning personnel and by expanding medical and welfare services for local people via extensive publicity and re-education.

Peng said rural family planning work must be tailored to the changing social and economic situation and that birth control strategy should be integrated with the bid to improve people's quality of life.

According to investigations and surveys conducted by the Statistics Department under the State Family Planning Commission, more than 83.4 percent of fertile couples were using contraceptives by last October, 12.2 percent higher than in 1988.

State Commission Views Higher Education Reform

HK1003082693 Beijing GUANGMING RIBAO in Chinese 18 Feb 93 p 2

[Unattributed article, dated 8 December 1992: "Opinions of the State Education Commission on Speeding Up the Reform of and Actively Developing General Higher Education"]

[Text] The nineties is a crucial period for building socialist modernization in our country. We should grasp excellent opportunities to quicken the pace of reform, opening up, and modernization building and win greater victories in building socialism with Chinese characteristics, this being a strategic task facing the whole party as well as the people of the whole country. Higher education shoulders the important task of training both builders of and successors to the socialist cause and of developing science, technology, and culture. It also plays a crucial role in pushing ahead with productive forces liberation and development. Thus all comrades working on the higher education front should strengthen both a sense of responsibility and a sense of urgency, conscientiously study and implement the spirit of the 14th CPC National Congress as well as Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, emancipate the mind, brace up, accelerate and deepen higher education reform, and work hard to open up new vistas for higher education reform and development.

1. The guiding ideology for higher education reform and development is as follows: to follow the spirit of the 14th CPC National Congress, take as a guide the theory of building socialism with Chinese characteristics and the basic line of "one center, two basic points," emancipate the mind, accelerate the pace of higher education reform and opening up, and explore a new road leading to successful management of socialist higher learning institutions with Chinese characteristics to meet the needs of reform, opening up, and modernization building as well as the demands of the socialist market economic structural reform, political structural reform, scientific and technological structural reform, and cultural structural reform; and to strive to have our country's higher education development raised to a new level in terms of quality, quantity, structure, and efficiency within the nineties and have a solid foundation laid for a greater higher education development and improvement in the

next century. The higher education reform and development should be conducive to serving the socialist cause centered on economic construction, promoting a comprehensive social and economic development, mobilizing the enthusiasm of the broad masses of college teachers, students, and staff members and people of all walks of life in society, comprehensively implementing the party's education principles, improving education quality, raising college management efficiency, and training morally, intellectually, and physically qualified builders of and successors to the socialist cause.

The main tasks of higher education reform and development are as follows: To adhere to the socialist orientation of college management, carry out college management and administrative structural reform, transform the functions of government administrative departments, enlarge college decisionmaking powers, carry out college internal management structural reform and operative mechanism reform, and carry out in-depth education and teaching reforms in order to explore a new road for higher education development; and to strive, by virtue of reform, for expanded scale, rationalized structure, refined quality, and significantly improved efficiency in order that a preliminary socialist higher education system with Chinese characteristics will have been built by the end of this century.

2. We should reform the original unitary structure and pattern under which the state takes care of everything concerning higher education and explore a new road conformable to a socialist market economic structure and capable of mobilizing society-wide enthusiasm in running colleges and pushing ahead with higher education development in various forms and through multiple channels. After undergoing reforms and experiments, our country's higher learning institutions are expected to gradually contain the following forms: Colleges run with mainly state investment, but subsidized with tuition fees paid by students and funds raised in society, colleges run with mainly tuition fees paid by students and funds raised in society, but subsidized with state investment, colleges set up by nongovernmental organizations and run with tuition fees paid by students, colleges set up and run by enterprises, and so on.

We should persistently take the road of focusing on tapping potential in promoting higher education development. To this end, we should first and foremost try to rationalize the scale of existing colleges while making redoubled efforts to tap the potential and improve the overall efficiency of existing colleges in order that we will have efficiency of scale raised to a significant extent and average regular college scale raised from 2,500 to 3,500 people and vocational college scale from 1,000 to 2,000 people by the year 2000. We should actively encourage and support social forces in establishing higher learning institutions managed by nongovernmental organizations, formulate relevant regulations concerning ordinary higher learning institutions managed by nongovernmental organizations, and step up guidance and management in this regard. At present, proposals on

establishing new necessary higher learning institutions should be made in accordance with the "Interim Regulations on the Establishment of Ordinary Higher Learning Institutions," which was promulgated by the State Council (State Publication (1986) No. 108), and should be discussed and appraised by the Higher Learning Institutions Establishment Appraisal Committee of the State Education Commission, and then submitted to the State Education Commission for final examination and approval. The State Education Commission and all local departments concerned should strengthen academic qualifications and diplomas management in order to guarantee higher education standards and levels and improve education quality on a constant basis.

3. In developing higher education, we should bring into full play regional enthusiasm, suit measures to local conditions, rationalize layout, and optimize structure. Under the guidance of unified state plans, the provincial, autonomous regional, and municipal people's governments should work out development goals and emphases in light of actual conditions and ensure cooperation and mutual supplementation among different regions. The economically developed regions should increase input in higher education by a larger margin. We should quicken the pace of reform and development. We should actively create conditions and adopt forceful measures in order that regions with a weak economic basis and a small education scale will be able to develop higher education at a proper pace conformable to local economic growth. As regards ethnic minority areas, the state and the local governments should adopt special policies and measures to actively promote the development of higher education among ethnic minorities.

Insofar as emphases are concerned, we should vigorously develop vocational education, especially vocational education catering for the needs of the vast rural areas, small and medium enterprises, township and town enterprises, as well as tertiary industry, train more post-graduate students, and work hard to enable all senior-grade qualified personnel to be trained at home. Insofar as courses are concerned, we should stabilize the scale of basic sciences, appropriately develop new and frontier sciences, and mainly develop applied sciences.

4. In developing higher education, we should give priority to education quality improvement. The provinces, autonomous regions, municipalities, and relevant State Council departments, where conditions permit, should focus on successful management of one or two higher learning institutions with a high professional standard in local areas as well as on successful development of a batch of key courses and specialties. On this basis, the State Education Commission and relevant comprehensive departments of the State Council should select in a planned way a batch of higher learning institutions, courses, and specialties representative of the country's standard and list them in "Project 211" (facing the 21st century and focusing on the successful management of 100 universities in the whole country), a project which

has already been approved in principle by the State Council and which will be implemented in a phased and snowballing manner. As regards higher learning institutions, courses, and specialties listed in "Project 211," education departments at both central (including various central departments concerned) and local levels should adopt appropriate special policies to further enlarge decision-making powers of the higher learning institutions concerned. We should make sure that a batch of higher learning institutions, courses, and specialties across the country will be able to attain advanced world standards and match all world-renowned universities in terms of education quality, scientific research level, management, and so on by the early 21st century.

5. We should redouble efforts to reform the original college management structure marked by centralized state planning and direct government management with an eye to gradually establishing and perfecting a new, independent, and society-oriented college management structure marked by state overall planning and macroscopic management.

The college education management structural reform aims not only at straightening out relations among government, society, and colleges, turning higher learning institutions into real legal entities capable of making operational decisions in accordance with the principle of separating government functions from undertaking functions, but also at clearly defining college powers, obligations, interests, and responsibilities and making colleges more operationally oriented to society. To this end, the state should step up legislation work concerning higher education in order to have a higher education law and a higher learning institutions organization law formulated in the foreseeable future. The government should transform functions, streamline administration, delegate more powers to lower levels, and turn its direct administrative management of colleges into macroscopic management by dint of legal and economic means, such means as appraisal and information services, as well as necessary administrative means. All colleges should be guaranteed sufficient managerial powers so that they will be able to operate in accordance with the law and should be given such powers as are provided for in laws and regulations in respect of designing courses; enrolling students; offering employment guidance to students; conducting education, teaching, and scientific research; raising and using funds; establishing relevant institutions; making personnel arrangements; appraising and grading personnel; arranging for wage distribution; conducting external exchanges and internal management; and so on. The colleges, for their part, should be good at exercising their powers and discharging their responsibilities and should establish a self-motivation, self-development, and self-restriction operative mechanism capable of positively meeting the needs of the country's economic construction and social development. People of all walks of life in society should actively render support to and directly

participate in higher learning institutions building, qualified personnel training, and college management standard and education quality appraisal and should provide colleges with both production and social practice bases, select and employ the best graduates in a fair manner, and try to gradually provide colleges with socialized services.

6. The higher education management structural reform is aimed at gradually instituting a two-level management structure under which both central and provincial (autonomous regional and municipal) authorities are responsible for college management. The various State Council departments should focus on successful management of backbone colleges bearing directly on the country's economic and social development and playing an exemplary role in higher education development and should focus on successful management of colleges with unique specialties local areas have found it inconvenient to administer. As for relations between the central and local authorities, management departments at central level should streamline administration and delegate powers to lower levels so as to enhance management functions of local governments. The central authorities should mainly take control of general policies and principles as well as macroscopic planning, supervision, and examination and should delegate to the local authorities such responsibilities and powers as formulating and implementing specific policies, systems, and plans in and exercising leadership over and management of locally based higher learning institutions. The central authorities should further enhance the role played by provinces, autonomous regions, and municipalities in coordinating higher learning institutions affiliated to the State Council departments but located in various provinces, autonomous regions, and municipalities. As for relations between the State Education Commission and relevant State Council departments in charge, the State Education Commission will take control of overall planning, policy guidance, organization, coordination, information services, supervision, and examination; whereas relevant State Council departments in charge will gradually assume responsibilities and powers in respect of designing specialties, planning enrollments, raising funds, and providing jobs to graduates as well as some other managerial responsibilities and powers. The specialized State Council departments should improve forecasting of their own departmental demands for qualified personnel in diverse disciplines and should assist the State Education Commission in providing guidance over planning work relating to training qualified personnel in specifically required disciplines across the country. After the functions of the State Council departments have been transformed and the enterprises affiliated directly to relevant State Council departments have been placed under lower administrative levels, it is still necessary to continue to conduct experiments on the reform of both administrative and management structures of various higher learning institutions affiliated to relevant State Council departments in certain selected areas and in light of divergent local conditions so that the higher

learning institutions concerned will be managed by relevant central departments, managed by relevant central departments and local governments, placed under lower administrative levels and managed by relevant local governments, or managed through cooperation with enterprise groups. After colleges have been placed under the administration of local governments, it is also necessary to appropriate college operating funds and college capital construction investment bases to the local governments concerned. Since this is a difficult reform involving various fields, we should actively press ahead with it in a well-measured manner by first and foremost conducting experiments in certain selected departments. We should implement this reform wherever our experiments are successful. Since this important reform will be instituted for some time in the future, we must conscientiously make efforts to ensure its success.

7. We should reform the higher education investment structure and gradually establish an investment structure under which financial appropriations remain predominant while funds are also raised through a variety of channels. In accordance with the principle of "two increases," central and local departments concerned should increase financial appropriations to higher education and try to meet the basic needs of higher education development. On the other hand, colleges should transform concepts, end their total dependence on financial appropriations, and embark on a road whereby education funds are raised through various channels. We should also study and formulate specific systems and measures of raising operating funds for higher learning institutions from among society, enterprises, individuals, and college-run enterprises as well as through many other channels.

As higher education is by no means compulsory education, we should reform the system under which college students are "wholly taken care of" by the state. In principle, all college students should pay tuition fees. The colleges concerned should determine the exact amounts of tuition fees in light of people's financial abilities and should report to and obtain approval from the departments in charge or the provincial, autonomous regional, and municipal people's governments concerned. Meanwhile, the state, enterprises, undertakings, social organizations, and colleges can establish scholarships so as to reward students with good conduct and outstanding academic achievements and provide subsidies to students who take whatever jobs they are assigned upon graduation. Banks can also provide tuition loans. The colleges should actively carry out work-study activities to assist students from households with financial difficulties. As for some special colleges and specialties designated as key colleges and specialties and financially protected by the state, we should either establish special scholarships or increase the number of scholarships. While carrying out these reforms, we should correspondingly try to mobilize initiative and enthusiasm on the part of students in academic studies and further both enrollment system reform and graduate employment system reform as well.

8. We should press ahead with enrollment system and graduate employment system reform. The enrollment planning structure of higher learning institutions should consist of state task plans and regulatory plans. The state task plans are mainly aimed at guaranteeing the supply of qualified personnel trained in special disciplines as demanded by key state projects, national defense building, cultural and education development, basic science and high-tech research, remote and border areas, as well as certain difficult and tough trades. The state task plans are to be relayed to lower levels after departments in charge of colleges submit their proposals to the State Education Commission for examination and ratification. The departments in charge of colleges must guarantee a sufficient supply of operating and capital construction funds to personnel training as required by the state task plans. On the premise of fulfilling the state task plans, we should gradually expand regulatory planning and increase proportions of both students who pay for themselves and students who are dispatched by their work units for further training. The regulatory plans are to be worked out by departments in charge of colleges in light of both needs and actual conditions of colleges.

We should further improve enrollment and entrance examination methods and adhere to the principle of comprehensively examining students in ethical, intellectual, and physical aspects with stress on academic achievements in order to enroll the best candidates through selection. On the basis of a general provincial examination of senior middle school graduates, we should reduce the number of subjects listed in a unified college entrance examination and take into account the general provincial examination results when enrolling students. After obtaining approval, colleges and specialties with special requirements for qualified personnel training can either jointly or independently hold examinations in selected departments and areas and enroll students in accordance with the regulations concerned. To make things easier for higher learning institutions to train qualified personnel in light of their respective characteristics, styles, and speciality requirements, we should delegate to colleges such powers as selecting and enrolling students. On the other hand, colleges should also give attention to selecting and enrolling outstanding qualified personnel with certain practical experience from rural areas, remote and border areas, and grass-roots units. The local student enrollment departments should transform their functions and take control of such work as organizing registration, examination, and enrollment and providing services to college enrollment work. We must establish and perfect an enrollment supervision system.

We should reform the system under which college graduates "automatically become cadres" and "are assigned jobs in a unified way" by the state. After a socialist market economic structure is established and the existing labor and personnel system is reformed, we should, by taking state policies as a guide, institute an employment system under which a majority of college

graduates will have to look for jobs by themselves. In the near future, students enrolled in accordance with the state task plans will, in principle, be assigned jobs by the state, so that colleges and work units concerned will remain aware of the "supply-demand" situation and join hands in carrying out graduate employment plans. The method by which colleges and work units can "choose each other" should be actively applied. On the other hand, the regulatory plans should stipulate that students sent for training and students trained for special purposes should take jobs stipulated in their contracts, whereas students who pay for themselves should be free to look for jobs by themselves. The departments concerned should try to provide more employment guidance over and services to graduates.

9. We should actively and assuredly further the internal management structural reform among all higher learning institutions. To this end, we should gradually carry out reforms in the personnel, distribution, housing, medical service, retirement, and old-age pension systems. We should also introduce the enterprise mechanism and socialize logistical services into colleges in hopes of smoothing out relations, shifting the mechanism, readjusting the structure, streamlining institutions, optimizing contingents, improving conditions, bettering treatment, mobilizing the enthusiasm of the broad masses of staff and teachers, enhancing college operative vitality, and enabling colleges to positively meet the needs of national economic development and social development; constantly improve education quality; raise the level of scientific research; and improve management efficiency. The college internal management structural reform should be carried out in an active and assured way, under the leadership of departments in charge of colleges, as well as under the leadership and with the support of provincial, autonomous regional, and municipal people's governments concerned. We should gradually carry out the reform by proceeding from actual conditions, actively conducting experiments, working out overall plans, and taking account of all factors in hopes of scoring marked results in nationwide college internal management structural reform within the next few years.

10. We should continue to step up and improve ethical education work. To this end, we should further step up and improve Marxist theoretical education as well as ideological and political education; arm students with the theory of building socialism with Chinese characteristics; and step up education on the party's basic line as well as on patriotism, collectivism, and socialism in the hope that the broad masses of students will be able to strengthen faith in building socialism with Chinese characteristics, take the road of integrating themselves with the masses of workers and peasants, gradually establish a scientific world outlook and outlook on life of serving the people, become more capable of resisting both peaceful evolution and the corrosive influence of capitalist ideology and feudalistic ideology, and cherish and safeguard a political situation of stability and unity. In

the course of practice, we should constantly explore and sum up experiences of stepping up ethical education work under the reform and opening up conditions, make sustained efforts to strengthen and improve the ideological and political work system, enrich the content of ethical education, improve forms and methods of ethical education work, and strive to build a small and highly trained contingent of ideological and political workers composed of both full- and part-time personnel, with full-time personnel as the backbone. We should make redoubled efforts to train personnel by virtue of teaching, management, and services and make constant efforts to build a fine atmosphere on campus and a fine learning style and optimize the personnel training environment in a down-to-earth manner.

11. The core of higher education reform lies in deepening education reform and improving education quality. We should comprehensively implement the party's education principles, gradually establish a vigorous and competitive education system consonant with both the socialist market economic structure and the law of students growing to maturity, and work hard to improve education quality in light of such requirements as "catering to the needs of modernization, the world, and the future."

We should inherit and carry forward all fine traditions of our country's higher education, be bold in absorbing and drawing upon advanced education experiences in the contemporary world, further transform education ideology, and update education concepts. We should make continued efforts to develop new specialties; deepen reform of education content and methods; gradually establish and perfect an education content system and a course structure in consonance with our country's socialist construction and with modern scientific, technological, and cultural development; and concentrate efforts on improving both the quality and the ability of students. We should build more and better laboratories, increase and renew teaching facilities and equipment, and extensively employ modern education means.

We should make redoubled efforts to implement the principle of combining education with production and labor; vigorously strengthen close ties and cooperation between colleges on the one hand and scientific research departments, enterprises, and undertakings on the other in divergent forms; strive to enable all quarters of society to participate more in qualified personnel training work conducted by higher learning institutions; further consolidate and develop college-affiliated bases, three-in-one bases, factory-college cooperation committees, production-learning-research combines, and so on; integrate teaching, scientific research, and production (social practice); and promote close integration of college education and the teaching process on the one hand with realistic socialist construction on the other.

We should establish and perfect an education management system and operative mechanism consonant with a

new, society-oriented, and independent college management system. To this end, we should bring into full play unique superiorities on the part of various colleges and should try to design, establish, and readjust specialties; formulate teaching plans and programs; select teaching materials; and organize and conduct teaching activities in light of the needs of economic construction and social development. Both the competition mechanism and the incentive mechanism should be introduced into colleges, which should, for their part, make increased efforts to perfect the existing credit system, institute a rational system under which the worst students are eliminated through selection and competition and the best students are rewarded, and carry out reform experiments with an eye to forming a teaching management system marked by strict management and conducive to mobilizing the enthusiasm and initiative of both teachers and students and to establishing a vivid and vigorous education operative mechanism conformable to the law of education. The education administrative and management departments should revise speciality catalogues and amend speciality designing regulations so as to set up basic training standards for various courses and specialties and basic teaching requirements for major courses, actively carry out education research and appraisals, establish a system of appraising college education work quality and qualified personnel quality, set up test venues in units where qualified personnel are employed to conduct qualitative appraisal of qualified personnel, and step up macroscopic management of and guidance over teaching work.

12. We should carry out postgraduate education reform. To this end, we should speed up postgraduate education development, improve postgraduate education structure and distribution, more clearly define training goals and standards for different types of postgraduates, and concentrate on training qualified personnel in applied disciplines while ensuring the supply of qualified personnel to teaching and scientific research units, and should enroll more in-service personnel in postgraduate courses and implement a professional degree system for certain trades and professions on a trial basis in light of the needs of socialist construction and course development. We should straighten out relations between postgraduate education and the degree conferment authority system and speed up experiments on delegating to lower levels powers of conferring master's degrees and examining and appointing teachers for doctorate students in selected fields while simultaneously establishing and perfecting a quality supervision and appraisal system in this respect. We should improve postgraduate enrollment methods, further perfect the training process, and continue to carry out on a larger scale and in selected areas experiments aimed at enabling postgraduate students to act as tutors (to assist teaching), research assistants (to assist scientific research), or management assistants (to assist management). We should improve material conditions for postgraduate training, improve

education quality, and strive to have postgraduate education in a batch of colleges as well as a batch of postgraduate courses raised to advanced world standards within this century.

13. In conducting scientific and technological work in higher learning institutions, we should conscientiously implement the state science and technology principles, adhere to the ideology that science and technology are the primary productive force, persistently orient scientific and technological work to economic construction, integrate scientific and technological work with teaching activities, and strive to scale new heights of science and technology. We should bring into full play the enthusiasm of the contingent of science and technology workers. While concentrating most human resources on serving national economic construction, we should maintain a small but competent contingent capable of conducting basic research in a steady and sustained manner and should build a new batch of national-level key laboratories while making efforts to consolidate the existing ones. While organizing superior forces to undertake the "climb plan [pan deng ji hua 2372 4093 6060 0439]," the "863" high-tech plan, and the scientific and technological problem resolution plan of the state, as well as other major state tasks, we should guide the broad masses of scientific and technological workers to gear their work to society and the market and actively carry out research on applied and development-oriented science and technology desperately needed by economic and social development. We should vigorously step up scientific and technological achievements popularization and application work, build a batch of project research centers and intermediate test centers, and push ahead with commercialization, industrialization, and internationalization of scientific and technological achievements. Philosophical and social science research should focus mainly on key theoretical and realistic issues demanding immediate solution in socialist construction and reform.

We should reform the science and technology management structure established under the former planned economic structure. To this end, we should introduce a competition mechanism into scientific and technological institutions and rationally distribute personnel; optimize composition; institute different management systems in different types of institutions; and carry out opening up, circulation, and regular appraisals in such institutions. We should step up cooperation between production, education, and research sectors in various forms and build a batch of personnel training, research, and exploitation bases with close ties to industrial circles. We should establish a rational input mechanism for science and technology work, actively open up new investment channels for science and technology work, increase loans to science and technology work, and establish a risk and investment fund for new technology and high-tech development.

14. We should actively develop college-run industries involving mainly high and new technologies. The college-run industries should be conducive to closer ties between colleges and society and in-depth education and teaching reforms and to raising education funds and enhancing real college managerial strength. We should organize college-based scientific and technological forces and send them to the main battlefields of national economic construction, orient research and exploitation work to the first front of production, and develop science and technology industry in a planned way, with clear-cut focuses, in selected fields, and with stress on actual efficiency. We should suit measures to actual conditions in colleges and local areas and make use of college superiorities to actively develop a tertiary industry capable of providing economic, scientific, technological, cultural, and educational information and consultative services. The state should expand the scale of loans earmarked for college-run industry, grant preferential tax rates to college-run industry, and formulate as soon as possible administrative laws and regulations concerning college-run industry so that college-run industry can have laws to go by. On the other hand, colleges should strengthen leadership and strive to explore various modes for college-run industrial development in light of actual regional, departmental, and managerial conditions by employing such methods as rationally distributing personnel and instituting an enterprise operative mechanism.

15. We should build a stronger contingent of teachers. The nineties is a crucial period in which the old generation of college teachers is to be replaced by a new generation. A pressing task at the moment is to train a new generation of key academics and backbone teachers. We should adopt all forceful measures to optimize the existing teacher contingent structure by concentrating on training more young and middle-aged key academics. We should try in every way to strengthen close ties between teachers and society and employ experts with a higher standard from practical work departments to teach in colleges. We should organically combine teacher contingent building with overall college reform and place such issues as teachers' salaries, housing, medical care, and retirement at the top of the college reform agenda. We must be determined to adopt major policies and measures to substantially improve teachers' working, studying, and living conditions, handsomely reward teachers with outstanding contributions, and standardize the reward system. The state should establish a teachers' wage system independent of the civil service wage system and set a basic wage level for college teachers, while departments in charge of colleges and colleges themselves should be empowered to appropriately increase subsidies to teachers in light of regional and college realities. Teachers working in different regions and colleges should be entitled to different actual salary scales. We should overcome a tendency toward both egalitarianism and emphasis on seniority and try to properly widen the wage gap between teachers with different contributions. We should further reform the

assessing and employing of professional and technical personnel, further delegate to lower levels the power of assessing and verifying teachers' qualifications, and formulate relevant policies manifesting a correct policy orientation. We should bring into play the enthusiasm of the state, the collective, and the individual, build residential quarters for teachers more rapidly, and strive to attain the goal of having housing problems resolved within three years and housing conditions improved within five years.

16. We should further expand opening up to the outside world and actively carry out international exchanges and cooperation, this being an important principle for our country's higher education cause development. To this end, we should strengthen and attach importance to research on overseas higher education, and be bold in absorbing and drawing upon outstanding achievements of human civilization and development and upon successful higher education development and management experiences among all countries in the world. We should actively make efforts to create both favorable conditions and a favorable environment for international cooperation and exchanges in this regard, further formulate and perfect relevant policies, and improve education-related foreign affairs work management methods; we should expand and invigorate international educational, academic, scientific, and technological exchanges and cooperation in light of the needs of our country's higher education reform and development; we should improve the work of sending students to study abroad, dispatching personnel for further studies abroad, and inviting foreign talent; we should actively create conditions and appropriately expand and strengthen such work as accepting foreign students to study in China, selecting and dispatching teachers to teach abroad, teaching the Chinese language to foreigners, and cooperating with foreign countries and regions in running colleges abroad; we should waste no time in working out regulations for overseas institutions and individuals to run colleges in China and welcome and encourage overseas institutions and individuals to donate funds to domestic colleges or join hands with domestic institutions in financing and running training centers, research centers, colleges of universities, and so on in accordance with our country's laws, principles, and policies.

17. Governments at all levels should strengthen leadership over higher education reform. All major reform plans of higher learning institutions should be implemented in a planned way, step by step, and with prior approval of departments in charge. The reform should be gradually popularized only after relevant experiments have been conducted and experiences summed up. As for a multitude of problems cropping up in the deep-going reform, leading departments at all levels should actively provide guidance to, step up management of, and assist higher learning institutions in overcoming all sorts of realistic difficulties.

Official on Cadre Job Advancements, Transfers

OW1003043393 Beijing XINHUA Domestic Service in Chinese 0841 GMT 2 Mar 93

[By reporter Chen Yan (7115 7159)]

[Text] Beijing, 2 Mar (XINHUA)— When interviewed recently by this reporter on the need for cadres to hold a correct attitude toward job changes, a responsible person from the CPC Central Committee Organization Department stressed the importance of party leading cadres holding correct views on such matters as personal advancement, retirement, remaining-at-post, and job transfers. He said that, be it in the matter of stepping down or staying on the job, communist party members and revolutionary cadres should always adopt a correct attitude of following party instructions and of meeting the requirements of the party cause; to be sure, it would be nice to get "promoted"; but it is perfectly normal for one to step down or change jobs.

The same responsible person noted the recent elections of new leadership in many localities. Correct handling of matters of personal advancement, retirement, remaining-at-post, and job transfers will be seen as a test for all levels of leading cadres. He said a good tradition has been in place over a long period of time among our cadres on the correct handling of personal advancement, retirement, remaining-at-post, and job transfers. Most cadres have been able to correctly handle such matters, be it in the areas of organizational reforms, in staff reduction, in administrative simplification, or in the areas of cadre readjustment and in changing of leadership. While some cadres are elated over "advancement," others are dejected over "stepping down;" still others view their transfers from leading posts to other departments or posts as proof of their organizations' distrust in them.

The responsible person of the Organization Department pointed out: Our party has always maintained that cadres are the servants of the people; that the only difference among them is in the division of labor, not in their rank; in promoting cadres, the party and the people want to show trust in them and give more responsibility to them and do not want to give an impression that the cadres who got promoted are a cut above others. The same also applies to a change of post and to a job transfer to grass-roots units. It is the necessity of the work that prompts organizations to effect job changes; it is never intended to imply that those who are ordered to make post changes and job transfers are inferior to others; they still have an unshirkable responsibility to the cause of the party and the people. Of course, it is natural for cadres to have some misgivings over matters of personal advancement, retirement, staying-on-job, and job transfers; they may also raise questions concerning organizations' arrangements; but once the decisions are made, they must unconditionally submit themselves to their organizations' decisions.

In conclusion, the same responsible person stressed: The matter of a correct handling of the problem of advancement, retirement, remaining-at-post, or job transfers does not just concern individual cadres; all levels of party organizations must assume a heavy responsibility in this regard. Party committees should uphold the principle of fairly evaluating cadres on their professional and ideological merits; they should rationally deploy cadres; and they must step up ideological education among cadres, so as to help those comrades, who are asked to step down or who are transferred to other posts correctly deal with their situation and to induce other comrades to adopt a correct attitude toward advancement, retirement, remaining-at-post, or job transfers; it is hoped that a good social environment that is conducive to the carrying out of the matters of normal advancement, retirement, remaining-at-post, and job transfers among cadres will thus be created

Special Courts To Try Foreign-Related Disputes

HK0903151193 Beijing ZHONGGUO XINWEN SHE in Chinese 1130 GMT 28 Feb 93

[By correspondent Mo Fei (5459 7236)]

[Text] Guangzhou, 28 Feb (ZHONGGUO XINWEN SHE)—Mai Chongkai, president of the Guangdong Provincial Higher People's Court, stated at a provincial court work meeting convened yesterday that trial courts for foreign-related economic cases will be set up in cities that have seen larger numbers of such cases and low-level law courts or courts will be set up in economic development zones and bonded areas.

Mai Chongkai pointed out that the establishment of trial courts for foreign-related economic cases is a new measure in judicial reform. He believed that only reform can improve the quality, efficiency, and results of trial case work and perfect the judicial system with Chinese characteristics.

Mai Chongkai demanded that courts at all levels throughout the province try foreign-related cases without delay and with impartiality, as this may boost the confidence of foreign businessmen in investment and promote opening up to the outside world. He said: Foreign-related cases handled by Guangdong courts at all levels last year were up nearly 10 percent over the previous year. As opening up expands, and foreign economic and trade activity becomes brisker, there will be more economic disputes involving foreign, Hong Kong, Macao, and Taiwan partners. Courts at all levels must treat foreign-related trial cases as an important task for promoting Guangdong's opening up to the outside world; must rule according to Chinese legal principles, with reference to international conventional practices, and in conformity with law, reason, and human sentiment; and must enforce the law impartially, showing no bias.

Papers Discuss Administrative Structural Reform**Key Issue Discussed**

HK0903135093 Beijing GUANGMING RIBAO in Chinese 21 Feb 93 p 3

[Article by Zhang Guoqing (1728 0948 1987): "Thoughts on Administrative Structural Reform in China"]

[Text] The report to the 14th CPC National Congress, after mentioning the economic structural reform and the political structural reform, for the first time explicitly set forth the concept and task of reforming the administrative structure in our country. It should be said that this represents a comprehensive and accurate generation of the administrative reform to be carried out by the government of our country and also enriches, improves, and develops the general strategy for the across-the-board structural reform in our country.

Key Issue in Administrative Structural Reform

After the PRC's founding, we carried out a number of large-scale administrative reforms in turn, which all achieved certain results and solved some problems at the time. On the whole, however, things could not move out of the vicious cycle of streamlining-swelling-streamlining again-swelling again. Why? There were various complicated reasons. Among others, the key reason lay in the fact that we could not grasp the main contradiction in our country's administrative reforms, namely, the issue of the administrative power, or we had no condition for doing this, thus failing to delimit and stipulate the government functions according to the definition of the administrative power.

By reviewing the previous process of administrative reform in our country, people can easily find that every round of administrative reform in our country basically followed the same model. That is, the main purpose of the reform was to adjust the relationship between the central and local governments and to redivide powers between local governments and central departments; the main content of the reform was to streamline institutions and reduce personnel; the main method of the reform was to make arrangements from top to bottom; and the main behavior target to be attacked in the reform was the bureaucratic work style. It is not hard to find that the reforms: dodged or neglected the issue concerning the administrative power holder and the issue of the corresponding powers and responsibilities; and dodged or neglected the issue concerning the delimitation of powers and the form of using powers when relations exist between the holder of the administrative power and other bodies involved in administrative actions. This gave rise to the following situation: The administrative power which should be held by the government was taken and used by other bodies; on the other hand, the government also took and used the powers which it should not have done. In other words, the administrative

power of the government in our country and its use was in a seriously unbalanced situation for a fairly long historical period.

The administrative practice of both Chinese and foreign governments shows that the lifeline of administration lies in power and practical workers and theoretical researchers must not neglect how power is acquired, maintained, increased, weakened, and lost. If we neglect this point, it is almost certain that our viewpoint will be unrealistic and our practice will be unsuccessful. That is to say, to study administration, we must study administrative power; in order to deal with the reform of the administrative structure, we must also study administrative power. If we leave, neglect, or dodge this key issue, namely, the issue of administrative power, we can hardly do an effective job in exercising administration or carrying out administrative reform.

Connotation of Administrative Structural Reform

In a narrow sense, the administrative structure refers to the government's administrative system; in a broad sense, it includes all state organs and the institutions of the ruling party (as determined by the political party system specified by our country's constitution). In the current situation, the administrative structural reform should adopt the definition in a narrow sense.

The so-called structure refers to the organizational pattern and relations pattern specified by a certain authoritative system. Here, the basic connotation of "specified" "relations" is the issue concerning the attachment [gui shu 2981 1466], redistribution, and actual operation of the administrative power. In this sense, the reform of the administrative structure in our country is in fact to redesign, recompose, and reformulate such basic principles and work systems as the state's administrative organizations. That is, the government's legal status, administrative powers, management functions, behavior modes, and corresponding institutional setup, staffing, work procedures, and financial budgeting, should quickly adapt the government's administrative structure to the socialist market economy and make it a main leading force, thus promoting the development and growth of the socialist market economy. The social purpose of such reform is to greatly enhance the living standards of the entire people and the comprehensive national strength. Its political significance is to give full play to the potential advantages of the socialist system and to fully demonstrate the superiority of the socialist system.

In essence, the administrative structural reform is part of the political structural reform and is an issue about the superstructure. According to the Marxist point of view, the essence of such reform is to make changes in the superstructure, and thus adapt the superstructure to the economic base, and to adapt production relations to productive forces and thus further emancipate and develop the productive forces. Obviously, changes and adaptations here encompass the theoretical consideration

of the historical development process of a socialist country, including the realistic approach to the great progress made by reform and opening over the past more than 10 years in our country. One of the advantages of the socialist system lies in the fact that it is full of vigor and dynamism and it possesses a strong inherent driving force for development. Reform is one of its main external forms. According to the viewpoint of "separating" politics from administration, and from the angle of the actual administrative operation, the political structural reform and the administrative structural reform can be considered as things in two aspects. This precisely coincides with the state's dual characteristic of having a class nature and a social nature at the same time. In general, the political structural reform is related to the attachment, balancing, and redistribution of political power; the political decision-making body, system, and effectiveness; the rules and forms of political behavior and their changes; the democratization, socialization, and legalization of the political process; and the participation, supervision, and openness of political activities. The administrative structural reform normally only concerns the legal status, organizational structure, leadership system, and administrative behavior of the government. In our country, the state pursues the system of "integrating the parliament and the administration." The government is the functional organ of the people's congress for handling routine administrative affairs and its executive status is explicit in legal and juristic terms. In reality, however, the government is playing the most active and most powerful role in ruling and administering the country and holds the dominating and central position among all state apparatus. As a result, it is the main bearer of the responsibility for the prosperity of the national economy and the improvement of the people's livelihood. Therefore, it is necessary, for the sake of our country's economic development, to deal with the administrative structural reform by separating it from, and mentioning it in the same breath as, the political structural reform and the economic structural reform so that the three major structural reforms will support, promote, and complement each other in common development. Such a general pattern is also a realistic option for the political structural reform on the whole.

The administrative structural reform is different from administrative adjustments. The main differences lie in the following points: First, in the scale, scope, and degree of changes, the former is obviously related to the overall situation and, in general, is related to the whole organizational structure of the government and to some complicated and sensitive deep-level theoretical and practical issues; while the latter can just be partial and limited changes, mostly related to the superficial issues of the government's administrative work.

Second, in power relations, the administrative structural reform is related to the changes in the system of state leadership. Inside the government, the reform is related to major power transfers inside the administrative structure; outside the government, the reform is not only

related to the adjustment of power relations, between the government and other state organs, but also related to the adjustment of power relations between the government and various legal entities of social behavior (such as economic legal persons, social organizations, and citizens). In addition, in political relations, reform should be discussed and decided by the ruling party; in juristic relations, reform should be considered and approved by the people's congress or its Standing Committee. That is to say, the government itself has the supreme and final decision-making power to launch an administrative structural reform. However, because of the same management relations, the limited scale of changes, and the limited influence, administrative adjustments, in general, are not related to transfers of power in the political field, so they can be decided by the government according to the actual needs of the administrative work.

Third, regarding the length of time needed, being a comprehensive reform on a rather large scale to be carried out intensively in a certain period of time, the administrative structural reform normally requires a longer time for consideration, preparation, mobilization, implementation, adjustment, and consolidation. It also requires more human, material, and financial resources. However, administrative adjustments can be made at any time and in any place according to the needs of the administrative work and, except for some special cases, they do not need particular preparation. They also require a shorter period of time. It should be pointed out that both in theory and in practice, the demarcation line between an administrative structural reform and an administrative adjustment is indistinct in many cases. That is to say, in special conditions, an adjustment may be changed into a reform or vice versa.

Theoretical Model for Administrative Structural Reform

After the 13th party congress had formulated the theory about the initial stage of socialism and established the party's basic line of "one center, two basic points," the 14th party congress went ahead in comprehensively generalizing and expounding the theory about building socialism with Chinese characteristics. This has provided a historic opportunity for moving our country's administrative structure onto a benign cycle. However, the concrete operation of the new administrative mechanism still requires more thoroughgoing studies, comprehensive planning, careful organization, and effective implementation. Therefore, the establishment of a correct theoretical model is indispensable. The model should at least include the following points:

First, the purposes of reform. The economic purposes: To adapt the administrative structure to the major changes in the economic structure; to actively foster the market; to promote the high-speed, sustained, stable, and harmonious development of the national economy; and to realize the Chinese nation's 150-year-long dream of becoming powerful and wealthy. The political purposes: To ensure the country's long-lasting peace and

order and to consolidate and develop the socialist system. The social purposes: To enhance the living standards of the people and gradually form a "citizen society" commensurate with the market economy.

Second, the key to reform. To change the government functions; to change the "omnipotent" [quan neng 0356 5174] government into a "functional" [quan neng 2938 5174] government; and to promote the development of the national economy and to manage public and social affairs through administrative legislation, administration of justice, state budget, the policy of investment inclination, state development strategy, and by such means as administrative coordination, intervention, inspection, and sanctions. It should be particularly pointed out that transforming government functions is not meant to weaken government powers and functions; instead, the government functions should be redefined and the government's ability to formulate strategic plans, carry out overall adjustment and control, and to give policy guidance, as well as its law enforcement authority, will be strengthened. Thus, the government will become a strong force for promoting the vigorous development of the economy and providing the guarantee for the people's satisfactory work and happy lives.

Third, the reform tactics. On the basis of determining the decision-making body for the administrative structural reform, what should be urgently solved at present is the establishment of "one tank," the formulation of "two laws," and the exercise of supervision from "three institutions." "One tank" means the think tank, which is also called "brain trust." It is composed of a multitude of experts and scholars inside and outside the government. Their wisdom is pooled to study, prove, arrange, and design the system engineering project of reform so that we can avoid making mistakes and reduce blindness in action. In this regard, the experience, both positive and negative, accumulated by the developed countries is worth being taken by us as reference. "Two laws" which should be formulated are the State Administrative Organic Law, specifying the government's powers and functions, institutional setup, staffing, budgeting, and the State Public Servant Law, specifying the rights and duties of civil servants working with the government and their behavior norms and forms. The supervision of the "three institutions" refers to the supervisory and constraining relationship between the government and the three major institutions which wield the power. The government's relationships with the ruling party and various democratic parties; with the people's congress and the political consultative conference; and with the mass media, economic legal persons, social organizations, and the citizenry, should be explicitly stipulated. It is of immense importance to greatly increase the transparency and openness of the government's administrative behavior.

'Difficulties' Discussed

HK0903145493 Hong Kong TA KUNG PAO in Chinese
26 Feb 93 p 2

["Special article" by staff reporter Li Ping-hua (2621 3521 5478): "Where Do the Difficulties in Carrying Out Administrative Structural Reform Lie?—Experts and Scholars Discuss Market Economy and Structural Reform"]

[Text] Of the 10 major tasks which General Secretary Jiang Zemin set out in his report to the 14th party congress, the seventh is to: "Have the determination to reform the administrative system and the organizational structure of the party and government, to bring about a change in their functions, straighten out their relations, simplify administration, and improve efficiency." It has been six months since the 14th party congress was held. Now that the First Session of the Eighth National People's Congress [NPC] will soon be open, the question of what actions will be taken and what specific measures will be adopted has increasingly drawn people's attention.

Is it necessary to reform China's administrative system and its present institutions? Are they in keeping with the socialist market economic structure? We might as well look at some figures.

Unwieldy Institutions and Swelling Expenditures

There are 89 permanent and 82 nonpermanent institutions under State Council ministries, commissions, offices, and bureaus. Nearly two-thirds of these are economic management departments. In 1991, there were over 31.62 million people in China's government organs and other institutions. Of these, the total number of people in central organs, as well as their subordinate institutions, was 3.348 million, about 3.35 times the number of people in similar U.S. institutions. Even if the number of people in other institutions are excluded, the actual number of people in central organs is still as high as 368,000 people, 9.6 times the number of Japanese Central Government officials. For example, there are only 505 people in Japan's Economic Planning Agency, while the authorized number of personnel in its Chinese counterpart, the State Planning Commission, is 1,200 people. In fact, if the people in the subordinate administrative companies and other institutions are included, the total number of people on the State Planning Commission payroll is over 5,300.

Such unwieldy administrative institutions have resulted in continuously increasing administrative and operating expenses. According to statistics from the departments concerned, administrative and operating expenses grew by an average of 16.3 percent annually between 1980 and 1990, much higher than the 11.6 percent growth in financial revenue. In 1980, the nation's administrative and operating expenses were 31 billion yuan, accounting for a quarter of the state's total financial expenditure; by 1990, the expenses shot up to 140 billion yuan,

accounting for 40 percent of the state's total financial expenditure. No wonder some people say that China's finances have, in a sense, become eating rather than construction finances.

Low Administrative Efficiency and Bureaucratism

To arouse people's understanding of the importance and urgency of carrying out institutional reform, the academic department of the China Administration Society, the investigation and study department of the China Association of Industrial Economics, the ZHONGGUO JIGOU YU BIANZHI [CHINA INSTITUTIONS AND ESTABLISHMENT] journal office, and the Shoudou Iron and Steel Corporation Research and Development Company jointly held a "Symposium on Socialist Market Economy and Institutional Reform." Academics and experts from relevant units, leaders of economic departments, and entrepreneurs from Beijing and northeastern China attended the symposium, at which the participants put forward many novel concepts and lines of thought, as well as specific ideas and proposals.

Some people pointedly said: "China's present superstructure, which has become to a certain extent, a part eating away the economic base, is seriously hindering the development of the productive forces and has reached a stage where it is absolutely necessary to carry out reform. To conduct institutional reform, it is necessary to genuinely change concepts. Feng Baoxing, research fellow at the Jilin Economic Research Center, holds that it is necessary for us to reunderstand and develop the Marxist theory of the state of the dictatorship of the proletariat. According to Marx, the three functions of the dictatorship of the proletariat are externally to resist imperialist aggression, internally to quell the resistance of hostile classes, and to directly organize the state's economic and cultural construction. Herein lies the ideological roots of the planned economy. Stalin also created a highly centralized model, which affected all socialist states including China. Yang Peixin, research fellow at the State Council Development Center, said that China's planned economy also had monopolized everything, including unified production and sales in terms of planning, unified assignment of labor, unified reception and allocating of funds, unified imports and exports in foreign trade, unified bank acceptance of deposits and granting loans, unified purchase and distribution of materials, and unified purchase and sales of commodities. The result can only be rigid controls and the loss of vitality in all respects.

Participants almost unanimously pointed out: The planned economy is an administrative one which requires examination and approval. Its special features are: The government is the main body of economic activities and enterprises are its appendages; economic operations are chiefly carried out through mandatory planning; there are barriers between different departments and regions; and, when the higher levels relax controls, the lower levels are at a loss as to what to do. Because the planned economy calls for concentration of

power in the central government and the government departments at various levels, this has resulted in a contingent of dozens of millions of people on the government payroll. Such institutions and personnel will surely give rise to low administrative efficiency and extensive bureaucratism and, if a shift is made toward the commodity economy without changing the idea and structure of the planned economy, they will serve as a hotbed for the emergence of rampant corruption.

Readjustment of Power and Interest Structures

During the War of Resistance Against Japanese Aggression, the border regional governments under CPC leadership successfully streamlined administration. However, after the founding of the People's Republic, several major attempts to streamline administration failed to yield good results. Wei Ruliang, director of Beijing's Liulihe Cement Factory, a large state-run enterprise with over 5,000 workers and staff members, summed up the reasons as: more slogans but less concrete measures; quick theoretical studies but slow practical actions; seemingly unanimous understanding but limping, unstable steps; mere talk of coordinated reform without taking strong supporting measures; the practice of allowing only the lower levels to deepen reform and change ideas without making genuine efforts at the higher levels; and the failure to implement good central policies at the lower levels because of obstructions from the intermediate levels. Wang Shiyuan, secretary general of the State Commission for Restructuring the Economy believed, however, that an essential reason for changes in government functions lagging seriously behind other reforms lies in the readjustment of power and interest structures. He also held that many people do not quite understand the essence and requirements of the market economy but they are so familiar, and so reluctant to part, with the planned economic operations that, at every turn, they tend to use old ideas to view problems. All participants held that the key to doing a good job in institutional reform lies in the determination and actions of the central authorities. If the central party, government, Army, and mass organizations do not carry out reform, it will be impossible to comprehensively change government functions. Despite actions and reforms at the lower levels, failure to act or reform on the part of the higher levels means there is no reform.

To build a socialist market economy, it is necessary for government functions to change accordingly. Wang Shiyuan said: The change from direct to indirect management involves many theoretical and practical issues. It is necessary to concentrate our efforts on the establishment of an indirect, macroeconomic regulation and control system. The principal task of the government is to formulate economic policies and use economic and legal means to regulate and control economic growth. Changes in functions will ultimately lead to changes in institutions but there will be no major actions at the forthcoming NPC meeting for these kinds of issues

cannot be resolved within a short time. After 3-5 years of explorations, major results can be expected from the next term of government.

"Renamed Companies" Engage in Dishonest Practices

Yang Peixin said: Being structurally simple and highly efficient, the Japanese Government can be regarded as a low-priced government [lian jia zheng fu 1670 0116 2398 1650]. Marx said: The bourgeoisie forwarded the concept of low-priced government but it was the Paris Commune that genuinely put it into practice. It can thus be seen that Marx affirmed the concept of low-priced government. This should serve as a mirror for the institutional reform of the Chinese Central Government. Tian Peiyan, from the CPC Central Committee Propaganda Department Research Office, said: A market economy society has four features, namely, clear-cut property rights, voluntary transaction rights, safe litigation rights, and necessary control rights. The necessary control rights refer to the government functions to control the economy and society. In the future, the government should relax controls over the economy but tighten controls over society. In resolving the issue of functional changes and institutional reform, the media may as well continuously promote an upsurge in "going to the sea of market economy" and cultivate a mechanism for the diversion of talented people to facilitate institutional reform.

In their speeches, many people pointed out: In streamlining administration, we should never engage in the practice of renaming companies. Recently, there has been such a tendency. Taking advantage of setting up an enterprise group to concentrate power in the enterprise is a form of recalling powers. Such "companies" are both business units which can issue bonuses and organs of power which can take advantage of their power to seek personal gain. In fact, this is a dishonest practice in the course of institutional reform.

Effecting "Small Government and Big Society"

Liao Jili, vice president of the China Society of Economic Reform Studies, believed that institutional reform should not be viewed only from the angle of reducing or merging government institutions and reducing personnel. To genuinely embody the principle of simplification, efficiency, and service and effect "a small government and a big society," the function of the government in administering the economy should primarily be placed on the aspect of working out planning, formulating policies, cultivating markets, building the legal system, and giving full play to the role of intermediate organizations in society in coordinating various relationships of enterprises.

Bai Mingben, director of the Reform and Development Research Institute of the Shoudu Iron and Steel Corporation, made a fairly systematic speech on the scope of streamlining and the flow of personnel. He said: The personnel made redundant by the streamlining of

administration can develop tertiary industries or be transferred to enterprises to strengthen the building of political power at the grass roots. Some scientific research institutes can also be incorporated into enterprises. In this way, surplus personnel will not be suddenly pushed into society and the obstacles to reform can be minimized by reducing their sense of loss ideologically and emotionally.

Sichuan Uses Card Against '4 June' Computer Virus

93P30025A Chengdu SICHUAN JINGJI RIBAO in Chinese 1 Jan 93 p 1

[Summary] At the end of last year, the Sichuan Provincial Public Security Office and the Shenzhen Huaxing Science and Technology Company announced that that company's microcomputer virus immunity card would be promoted throughout Sichuan. Computer crime and viruses are an increasing problem. According to Sichuan's investigation begun last year of 3,549 computers in 37 province-level departments, 1,013 machines (28 percent) were found to be infected with the "4 June" virus ["6.4" bingdu]. Another survey of 4,276 computers in 10 cities, localities, and prefectures determined that 786 machines (18 percent) were infected. According to the Public Security Office's statistics, five or more kinds of virus crop up each month, with 30 appearing in the first half of last year, resulting in serious losses.

As a result, the Sichuan Public Security Office has forbidden any department or unit to do computer virus research, sell virus-prevention devices, or publish items on computer virus programs without the approval of the Public Security Office Computer Security Supervisory Department. It has also decided to promote the Shenzhen Huaxing microcomputer virus immunity card throughout Sichuan. The card entered the market in January 1990, and is one of the world's first hardware-software combinations designed to prevent viruses. It has had good social and economic results in use by domestic and overseas consumers. In June 1992, the card underwent tests by U.S. computer virus specialists using 800 types of virus without a single failure.

Cities Open AIDS, Venereal Disease Hotline

OW0903191093 Beijing XINHUA in English 1502 GMT 9 Mar 93

[Text] Shenyang, March 9 (XINHUA)—Shenyang, the capital of northeastern Liaoning Province, opened a special telephone service today for venereal disease and AIDS victims—the fifth such hotline in China.

The other four hotlines are in Beijing, Shanghai, the country's largest metropolis, Kunming, the capital of southwestern Yunnan Province, and Shijiazhuang, provincial capital of northern Hebei.

Venereal disease was eliminated after the people's republic was founded in 1949, but has made a comeback over the past few years for various reasons.

The existence of carriers of venereal diseases and AIDS is no longer a secret in China. The Chinese Government has exerted great efforts to tackle the problem.

Officials have urged the populace not to become biased against the victims.

As part of these efforts, the government has opened hotlines to help victims of venereal disease and AIDS by giving advice on the problems and by helping others avoid contracting the diseases.

Many Chinese cities have set up special clinics to treat the diseases. In Shenyang, for instance, 34 such clinics are in operation.

Shanghai Holds National Social Welfare Seminar
OW0903140393 Beijing XINHUA in English
1329 GMT 9 Mar 93

[Text] Shanghai, March 9 (XINHUA)—A seminar on social welfare on China's mainland and Hong Kong opened here today.

According to sources at the seminar, at present there are more than 88,800 beds in welfare establishments in China. About 40 million people are getting relief funds from the state.

China now has 102 million social welfare agencies, and the enterprises run by the agencies employ 770,000 people.

At the opening ceremony of the four-day seminar, deputy director of the China Social Welfare Association and Deputy Minister of Civil Affairs Yan Mingfu said that the increase in the ratio of senior citizens in the population and the increase in the number of nuclear families have set new challenges for China's social welfare work.

Delegates from Hong Kong said that the seminar will do a great deal to promote the development of welfare services both in mainland cities and in Hong Kong.

About 140 specialists, scholars and social workers from Hong Kong and the mainland are attending the seminar.

Li Tieying Urges More Aid for Tibet Education
OW0903190493 Beijing XINHUA in English
1539 GMT 9 Mar 93

[Text] Beijing, March 9 (XINHUA)—Chinese State Councillor Li Tieying urged inland cities to intensify their assistance to education in the Tibet Autonomous Region.

Li, also minister in charge of the State Education Commission, made the call at a conference here today.

He said that the work is an important part of the efforts by the Central Committee of the Chinese Communist Party and the State Council to support modernization drive in Tibet.

He noted that great changes have taken place in every level of education in Tibet, including children's education, primary and secondary education, secondary professional education, higher education and adult education.

He pointed out that, due to reasons both historical and natural, the basis of Tibet's education is still very weak and there is still a large gap between educational standards in Tibet and in the inland provinces and regions.

He said that this year the state will allocate 41 million yuan earmarked for education in Tibet.

Raidi, chairman of the Standing Committee of the Tibet Autonomous Regional People's Congress, and Gyaclan Norbu, chairman of the Tibet Regional Committee of the Communist Party of China, and other leaders of the central government attended the conference.

Jiang Inscribes Album To Honor Mao Birthday
OW1003075793 Beijing XINHUA in English
0714 GMT 10 Mar 93

[Text] Beijing, March 10 (XINHUA)—More than 10,000 Chinese artists and revolutionary veterans have contributed 20,000 paintings and calligraphic works to celebrate the 100th anniversary of the birth of the late Chairman Mao Zedong which falls on December 26 this year.

The move was initiated by the Ministry of Culture which will select 3,000 best pieces of the art works for an album to be published before December 26.

Jiang Zemin, general secretary of the Central Committee of the Communist Party, has written a line for the album, which reads "Promote the fine art and culture of the Chinese nation and always remember the whole splendid life of Comrade Mao Zedong."

The contributors include some of China's veteran revolutionaries and Mao's relatives. Some are from Taiwan.

The project will cost 800,000 yuan, which is contributed by some enterprises.

Science & Technology

Beijing Sets Up Nuclear Waste Disposal System
OW1003103593 Beijing XINHUA in English
0939 GMT 10 Mar 93

[Text] Beijing, March 10 (XINHUA)—China has paid major attention to nuclear safety since its nuclear industry began to develop in the 1950s, and has set up a

complete purifying system for radioactive liquid and gaseous waste, and solved the disposal of solid radioactive waste.

Sources at a recent seminar on nuclear science in Beijing revealed that China has started technological research on final disposal of radioactive waste and is selecting sites for final disposal.

Li Xuequn, a senior engineer from the China National Nuclear Corporation, who is in charge of the management of radioactive waste, said that environmental quality appraisals over the past 30 years showed the influence exerted on the environment by the country's nuclear industry is "inconsiderable."

The average radioactive level of nuclear facilities within an 80 km-diameter area was less than 0.01 percent of the natural radioactive level, in no way harmful to the environment and people's health, according to Li.

He said China's nuclear industry had developed a complete industrial system covering prospecting, mining and smelting of uranium, parts processing, operation of reactors, after-treatment of used fuel and a series of technological processes. A considerable amount of radioactive waste was produced to which responsible departments had paid full attention in carrying out safe disposal.

Li said the Qinshan nuclear power plant, which started operation last year, and Daya Bay nuclear power plant, which is to start this year, have both set up complete waste disposal systems. The disposal system for the Qinshan plant started operation recently with good results.

To safely exploit nuclear energy, China had drafted a series of policies to manage radioactive waste and entered the disposal of nuclear waste into the law, Li added.

PRC Plans Meteorological Achievements Exhibit

OW0903103393 Beijing XINHUA in English
0906 GMT 9 Mar 93

[Text] Beijing, March 9 (XINHUA)—The first exhibition of China's meteorological research achievements is to be held in Beijing.

More than 300 scientific and technological achievements in meteorology by some 60 enterprises or institutions will be included in the exhibition.

The achievements involve meteorological applications in crop cultivation, irrigation, yield forecasting, the regulation of water in reservoirs, climatic resources, artificial precipitation, hail prevention, forest fire fighting, satellite and radar signal processing and related equipment.

The exhibition is being sponsored by the National Meteorological Bureau, the Chinese Meteorological Society and the Academy of Sciences.

Military

Report Says PRC Wants Control of Asiatic Seas

AU0903184093 Hamburg DER SPIEGEL in German
8 Mar 93 p 157

[Unattributed report: "China Wants To Extend Its Influence"]

[Text] "China is a peaceful nation," RENMIN RIBAO, mouthpiece of the Beijing Communist Party, reported in early February. Those who impute great power aspirations to China are spreading "malicious rumors meant to poison the peaceful coexistence with the Asiatic neighbors." Foreign media reported that Beijing is planning to buy an aircraft carrier. What the paper did not say is that in a top secret memorandum of the Chinese Navy, Zhao Nanqi, director of the General Staff Logistics Department, explained detailed plans on how the PRC wants to place the South China Sea and the Indian Ocean under its control. Three ports (Liaoning, near Shanghai, and Zhanjiang) are to be the starting bases. To secure control over the Asiatic seas, the Navy agreed on changing its strategy to secure the coasts to "high-sea defense," Zhao said. The far-reaching objective: "We can no longer accept the Indian Ocean as only an ocean of the Indians." With visits to the fleet and maneuvers, the Chinese Navy also wants to be present in this area in the future. Zhao confirmed once again that as early as 1992, the powerful Central Committee Military Commission decided to buy an aircraft carrier and train an appropriate staff in the next five years. In this way, China wants to finally secure its control over the South China Sea, which is rich in oil. "We are taking armed conflicts in the region into account," says the secret letter, quoting Zhao.

Army Chief on Reforming Military Education

HK0903050593 Beijing JIEFANGJUN BAO in Chinese
2 Mar 93 p 1

[By special reporter Jing Shuzhan (2529 2118 1455) and reporter Jiang Ning (1203 1337): "At a School Opening Ceremony, Zhang Wannian, People's Liberation Army Chief of General Staff, Stresses the Need To Strengthen Teaching and Research on Modern Warfare"]

[Text] Beijing, 1 Mar (JIEFANGJUN BAO)—Schools and institutes must bring into full play the superiority of concentration of talent and of complete information, strengthen teaching and research on modern warfare, and continuously deepen teaching reform to make their due contribution. This was the demand made by Zhang Wannian, member of the CPC Central Military Commission [CMC] and chief of the General Staff, today on behalf of the CMC at a school opening ceremony of the National Defense University [NDU].

The major departments attending today's school opening ceremony—the ninth-term commander training class, the ninth-term staff officer training class, and the

third-term teacher training class—will treat the research on the characteristics and regular pattern of modern warfare and the exploration of the new path of teaching and research as one of the teaching emphases. Zhang Wannian pointed out: The wide application of high technology in the military realm has brought about marked changes in the pattern and characteristics of modern warfare. We must work through multiple forms, such as regular training and training in rotation, to improve all army cadres' and particularly senior cadres' knowledge of the characteristics and of the regular pattern of modern warfare, gradually forming a teaching and scientific research system which accords with the demands of the new situation and which has the characteristics of our Army.

Zhang Wannian said: The NDU must not only fulfill its own teaching task but also offer useful assistance to schools and institutes of the whole Army to help the latter learn high-tech knowledge. It must also actively offer advice and suggestions to the CMC and the People's Liberation Army General Departments. School leaders and the vast numbers of teachers must first learn and master technological knowledge. We must work through teaching practice to strive to study the characteristics and regular pattern of modern warfare and to improve the methods and means of teaching.

Zhang Wannian stressed: Carrying out academic research and mastering the characteristics and regular pattern of modern warfare is a major task faced by schools and institutes and troops of the whole Army. We must further strengthen the study and training in this respect to strive to score breakthrough achievements. Attention must be paid to mobilizing students to carry out research together and to promptly applying research achievements to practical teaching.

Wu Quanxu, assistant to the chief of the General Staff, Xu Caihou, assistant to the director of the General Political Department; Liu Mingpu, deputy director of the General Logistics Department; and others attended the ceremony to extend greetings. Zhu Dunfa, commandant of the NDU, also delivered a speech; and Political Commissar Li Wenqing and others attended the school opening ceremony.

Business Provides Army With Weapons Funds

HK0903081593 Hong Kong SOUTH CHINA
MORNING POST in English 9 Mar 93 p 10

[Article by Willy Wo-lap Lam]

[Text] The People's Liberation Army (PLA) has claimed that the "meagre" increase in its budget this year will be spent on food and other basic necessities for its 3.2 million men in uniform.

To forestall a further slip in the soldiers' standard of living, the policy-setting Central Military Commission issued regulations yesterday permitting PLA units to engage in large-scale agricultural activities.

In a dispatch apparently aimed at deflecting attention on the likely boost in defence allocations at the National People's Congress next week, the New China News Agency (NCNA) [XINHUA] said the commission had decided earlier this year that its priority was to maintain the living standards of the rank and file.

"The bulk of the small increase in the military budget for 1993 will be used to compensate for increases in the cost of living due to price adjustments and the introduction of reform measures," the NCNA reported.

The commission claims that aside from making up for inflation, the standard of living for soldiers, especially in food supplies, would be improved.

To ensure that necessary materials can be secured, the commission has given permission for military units to run agriculture production facilities.

For example, units at the level of battalion or above can maintain an "agriculture base", such as a comprehensive farm.

Profits from agrarian activities will be ploughed back as welfare subsidies.

Sources close to the PLA said that in the wake of the development of the market economy, professional officers and soldiers had seen their income gap with civilians widen dramatically.

Some had complained that allocations for procuring and developing weapons had been made at the expense of their standard of living.

The sources said money used to import military hardware now came almost exclusively from profits made by mushrooming PLA-related businesses.

At an enlarged meeting of the commission in January, the officers indicated that army businesses had earned 30 billion yuan (HK\$40.41 billion) [Hong Kong dollars] last year, or roughly the same as the "official" defence budget. Western analysts said the profits could be double this amount.

Much of the funds for the modernisation of weapons are being used to expand the navy.

"A major concern of the Communist Party and army leadership is to safeguard the oil supply routes," an informed source said.

"If the economic growth rate is maintained, China will become a major importer of Middle Eastern oil in 10 years and the navy will be called upon to protect the relevant sea routes."

Western diplomats said Beijing planned to secure permission from friendly countries, including Burma and Iran, to establish naval bases in the Indian Ocean and the Gulf.

Apart from arms sales, PLA businesses and affiliated companies have made high profits from real estate in Beijing, Shanghai, Guangzhou and other cities.

Aviation Military-Turned-Civilian Ceremony

HK0903061193 Beijing ZHONGGUO XINWEN SHE
in Chinese 1250 GMT 25 Feb 93

[By reporter Wang Jiabin (3769 0163 2430): "Major Progress Is Achieved in the Transformation of the Aerospace Industry From Military-Purpose Production to Civilian-Purpose Production"]

[Text] Beijing, 25 Feb (ZHONGGUO XINWEN SHE)—The Ministry of Aeronautics and Astronautics Industry awarded prizes today at the People's Hall to "outstanding entrepreneurs of military-turned-civilian enterprises" in the aviation industry. Wu Shenduo, general manager of the Nanfang Aircraft Power Engineering Company, and 12 other factory directors and managers were awarded 20,000 yuan each.

As introduced by Lin Zongtang, minister of aeronautics and astronautics industry, since 1979, the Ministry of Aeronautics and Astronautics Industry has been working in accordance with the 16-character principle of "integrating the Army with the people, combining peace with war, giving priority to military products, and the Army being supported by the people" forwarded by Deng Xiaoping to thoroughly carry out the strategic transformation of integrating military-purpose production with civil-purpose production. More than 8,000 kinds of civilian products have been successively developed and the construction of more than 200 civilian production lines has been completed, forming productive forces exceeding 15 billion yuan in annual output value. The annual output value of civilian products is growing at an average of 42 percent and the accumulative total realized output value of civilian products is 62 billion yuan.

Lin Zongtang said: Practice has fully proved that the principle of integrating the Army with the people, as put forward by Deng Xiaoping, is the only way for the aeronautics and astronautics industry to have economic development and to improve benefits, and is a major strategic measure to safeguard the Army and aeronautics and astronautics industry under new circumstances. In the arduous process of doing pioneering work for the second time, vast numbers of staff and workers and, in particular, entrepreneurs have made great contributions.

To counter the real situation in society at present that many award winners dare not receive the prizes they are granted, Minister Lin Zongtang specially urged the 13 award winners not to turn in or to donate their money awards, not to share their money awards with workers and staff, and not to spend all their awards in entertaining guests.

Song Jian, state councillor and minister of the State Science and Technology Commission, and responsible officials of the State Planning Commission and the State

Council Office of Economic Relations and Trade attended the award ceremony.

Nanjing Military Region, Jiangsu Leaders Meet

OW0903022393 Nanjing XINHUA RIBAO in Chinese
8 Feb 93 p 1

[Article by Shen Shanchu (3088 1472 2806): "Share Weal and Woe and Stick to Each Other through Thick and Thin"]

[Text] Leading comrades of the Nanjing Military Region and the Jiangsu provincial party committee happily gathered together at the Jinling Hotel on the 15th night of the first lunar month [5 February]. The participants were beaming with satisfaction and talking cheerfully. They talked freely about the excellent situation for reform, opening up, and modernization; they chatted about profound sentiment between the Army and the government and between the Army and the people, where each person is as close to each other as members of a family; and they wished that greater achievements would be made in work carried out by the Army and localities in the new year.

At the discussion meeting, Shen Daren, secretary of the provincial party committee, first talked about progress made by Jiangsu in its work last year and work planned for this year. On behalf of the provincial party committee and the provincial government, Shen Daren extended heartfelt thanks to the Nanjing Military Region for lending vigorous support to Jiangsu in its work. He said: Relations between the Army and the government and between the Army and the people in Jiangsu have been very harmonious over a long period of time. The Nanjing Military Region and units stationed in Jiangsu have zealously shown their concern, lent active support to reform and construction in our province, and made great contributions. Under the joint efforts of the Army and localities, the glorious tradition of dual support has been carried forward. From now on, we will abide by the demand of Comrade Jiang Zemin to "share weal and woe and stick to each other through thick and thin," and work hard to do more solid and effective work on dual support. Governor Chen Huanyou; Sun Jiazheng, deputy secretary of the provincial party committee and head of the provincial leading group for dual support; and Gu Hao, secretary of the Nanjing City Party Committee, spoke at the discussion meeting. They said that we should actively lend support in all aspects to reforms in the Army and Army building, and do solid work for the Army with all our heart and might.

Commander Gu Hui, Political Commissar Liu Anyuan, and Deputy Political Commissar Wang Yongming of the Nanjing Military Region delivered speeches filled with enthusiasm. They highly appraised the close relations maintained between the Army and localities over a long time and achievements made in double-support work. They said: The localities and Army are like a family, and Jiangsu is invited to ask the Army for support whenever

it needs it; we will lend you our full support and conduct work in localities as if it were our work. They said that they will further promote our Army's fine tradition under the new situation, raise dual-support work to a new level, and continue to strengthen unity between the Army and the government and the Army and the people.

A warm and harmonious atmosphere prevailed throughout the discussion meeting; such an atmosphere fully reflected the deep feeling between the Army and the people, which are as inseparable as fish and water.

Attending the discussion meeting were Gu Hui, Liu Anyuan, Guo Xizhang, He Qizong, Liu Lunxian, Wang Yongming, Pei Jiuzhou, Zhang Zongde, Lan Baojing, Wang Chuanwu, Zheng Bingqing, Wei Changan, and Mahong, who are leading comrades of the Nanjing Military Region, the Nanjing Military Region Air Force, and the Jiangsu Provincial Military District. Also attending the discussion meeting were Shen Daren, Chen Huanyou, Sun Jiazhang, Cao Hongming, Cao Keming, Han Peixin, Sun Han, Hu Fuming, Gu Hao, Gao Dezheng, Yu Xingde, and Wang Rongbing, leading comrades of Jiangsu Province and Nanjing city; and Sui Shengwu, Wang Haitang, Zhang Jinrong, Liang Baohua, Duan Xushen, Jiang Tianjie, Lu Jun, and Shi Yunshi, responsible comrades from organizations of the Nanjing Military Region and relevant provincial organs.

Economic & Agricultural

Article on Process of China's Entering GATT

HK1003084093 Beijing SHIJIE ZHISHI in Chinese No 4, 16 Feb 93 pp 22, 23

[Article by Zhang Xiangchen (1728 0686 2525): "The Process of and Problems Encountered in 'Entering GATT'"]

[Text] Although China officially submitted an application for resuming its GATT signatory status as early as 1986, it was not until the second half of 1992 that "entering GATT" eventually became a hot topic for discussion among the Chinese. The people have since become extraordinarily concerned with this major state issue. Now "entering GATT" has indeed become a hot spot of people's concern: How will the talks on "entering GATT" proceed? What are the remaining problems? When will China be able to "enter GATT"? What impact will "entering GATT" have on China's industry?

In the Last Year

It is over six years now since China officially submitted the application in July 1986. Few countries in the world have made efforts as strenuous as China to participate in this multilateral trade system.

The GATT China Work Group held its 10th meeting in February 1989, bringing the four-year-long deliberation on China's foreign trade system basically to an end, with the result that negotiations on China's resuming its

GATT signatory status entered a substantial stage at which an accord would be drafted, this being the turning point of the negotiations. It is obvious to all that the negotiations on China's resuming its GATT signatory status were suspended as a result of the political turmoil that gripped China in June 1989. However, thanks to its unswerving adherence to the principle of reform and opening up, China gradually succeeded in restoring and improving relations with Western countries. As a result, a favorable turn was witnessed in the negotiations.

The road ahead was by no means plain sailing. According to usual practice, the China Work Group should convene a meeting every two to three months. However, it did not convene a meeting for half a year after its 10th meeting. Moreover, the issue of Taiwan entering GATT also became one of the thorny problems to be tackled in the negotiations between China and major Western signatory states. On 1 January 1990, Taiwan submitted its application to join GATT in the name of "Taiwan, Penghu, Kinmen, and Matsu Independent Tariff Zone." The Chinese Government then put forth three principles for settling the Taiwan issue: 1) one China; 2) China first, Taiwan later; 3) Taiwan should hold consultations with the Chinese Government. In the end, an agreement was reached through negotiations. On 29 September 1992, Arthur Dunkel, director general of the GATT Council of Representatives, read out an agreement reached among China, the EC, and the United States. In his capacity as director general acceptable to all signatory states, he stated that the agreement had received unanimous approval. The director general's statement basically enshrined the three-principle position of the Chinese Government, saying that the Council of Representatives should deliberate the China Work Group Report and adopt an accord on the PRC issue before discussing the China Taipei Work Group Report and adopting an accord on the Taiwan issue and that Taiwan's GATT representative would be given a status identical to those of the Hong Kong and Macao representatives and a title which did not suggest that Taiwan was a sovereign state. The director general's statement has become a norm with binding force and a basis for settling the Taiwan issue in future. Soon afterward, GATT set up a work group to study the issue of Taiwan entering GATT.

After the Taiwan issue was basically resolved, the negotiations on China's resuming its GATT signatory status reopened. The 11th China Work Group meeting was convened in Geneva on 21-23 October 1992. Meanwhile, China and the United States reached an agreement after holding talks on the market access issue and the 14th CPC National Congress was successfully convoked. These two developments had a positive impact on the negotiations.

Chinese delegation leader Tong Zhiguang made a speech in which he expounded the spirit of the 14th CPC National Congress to the signatory states and briefed them mainly on the goals China pledged to attain by building a socialist market economic structure. His

speech found a strong echo among and received a positive response from the signatory states. As a result, the meeting took another step forward. China forwarded an informal framework document concerning an accord on China's resuming its GATT signatory status. This framework document would lay the foundation for future negotiations once it was approved by the majority of signatory states. The meeting also set up an informal consultation group composed of both major signatory states among developed countries and signatory states among developing countries in order to draft the accord on China's resuming its GATT signatory status. The work group also pledged to speed up its work. However, the meeting did not discuss in an in-depth manner the substantial contents of the accord (specific rights, interests, and obligations China will be entitled to).

The 12th China Work Group meeting was held 9-11 December 1992. The meeting held further discussions on the accord framework. As requested by the signatory states, Chinese delegation leader Tong Zhiguang further expounded the socialist market economic structure, saying: "The socialist market economy is a market economic structure established under the socialist system and does not fundamentally differ from other market economies the world over in terms of general characteristics."

The Chinese Government demanded that the accord should state in no uncertain terms that China has resumed its GATT signatory status rather than rejoined GATT. China should be given unconditional most-favored-nation [MFN] treatment. The other signatory states should lift discriminative trade restrictions on China. China should be entitled to special and favorable treatment identical to that enjoyed by other developing countries. After two days of formal discussions and informal consultations, the meeting took another step forward toward signing an accord. A preliminary list produced by the work group chairman showed that the number of key issues for further discussion had been reduced and limited. The clearly defined accord framework has laid a foundation upon which the work group will unfold substantial discussions on and start drafting the accord when it meets next time. The work group tentatively decided to convene its 13th meeting in Geneva in mid-March 1993.

The Remaining Problems

Although China is anxious to "enter GATT," the specific timing of China's entering GATT will depend on the progress of the negotiations with the signatory states with regard to both the accord and the question of tariff reductions and concessions. At present, certain factors are still likely to exert a negative impact on the negotiations on China's resuming its GATT signatory status.

The first factor is **Sino-U.S. relations**. The Clinton administration has just been formed and has yet to shape its China policy. In the present transitional period, the United States is unlikely to make any decision on such a

major issue as restoring China to its GATT signatory status. This explains why the United States has adopted a negative and dilatory attitude at the recent work group meetings. In his presidential campaign, Clinton said that if the Congress adopted a motion on granting conditional MFN treatment to China, he would not veto it. Should Clinton really act in this way, Sino-U.S. relations would be seriously [yan zhong sun huai 0917 6850 2275 0975] damaged. The factor of unstable Sino-U.S. relations is a potential obstacle to China's resuming its GATT signatory status.

The second factor is the **Taiwan issue**. Taiwan hopes to expand its "room for survival" and implement so-called "elastic diplomacy" by joining GATT. Although the Council of Representatives director general's statement imposed restrictions on Taiwan, however, the setting up of the Taiwan Work Group has resulted in this situation: The China and Taiwan Work Groups are operating simultaneously and "are on a par with each other." Taiwan, which has huge foreign exchange reserves, has professed willingness to make more concessions on the market access issue and unhesitatingly pay a high price in "joining GATT." Checked by Taiwan, China must stick to its principles and try to avoid being landed in a disadvantageous position in its negotiations with the signatory states.

The third factor is: Due to China's rapid foreign trade growth over the past few years and different statistical methods, the European countries and the United States now regard China as a country with a huge favorable balance of trade and are planning to extort a higher "admission fee" from China when China "reenters GATT." It is impossible for China to meet all their demands. China will only undertake obligations conformable to its own economic growth level.

The final factor is: **Drafting an accord and holding talks on tariff reductions and concessions are themselves a waste of time and a process of bargaining.** Only by conducting conscientious and patient negotiations will we be able to produce an accord with balanced rights, interests, and obligations and a list of reduced or preferential tariffs acceptable to all parties concerned.

Correctly Viewing "Entering GATT"

As the biggest multilateral trade system in the world, GATT has made great contributions in respect of removing trade barriers and promoting free trade over the past 40-odd years. Thanks to a constant expansion of its coordination scope, GATT has gradually shifted its focus from the goods trade to investment measures, the service trade, intellectual property, as well as other aspects of the economic life of human society. To participate in GATT is an inevitable choice China has made as it has implemented the policies of reform and opening up. In particular, during its transition toward a socialist market economic structure, only by participating in the multilateral trade system of GATT will China be able to

enjoy fair trade treatment and a favorable trade environment, integrate its domestic market with the international market, have a bigger say in international economic affairs, and enable its nation to make its due contributions to establishing a new international economic order.

Nonetheless, as a multilateral trade agreement like a contract, GATT is neither mysterious nor almighty, and is widely known for its great elasticity and many a loophole across the world. Of its 105 signatory states, none has ever experienced a national industrial collapse or a miraculous economic takeoff due to "participation in GATT." In the final analysis, GATT is but a set of international rules capable of providing a larger stage on which we can bring into full play our skills and capabilities in international economic competition. Whether or not we are able to seize the chance of "entering GATT" to push forward reform and opening up and speed up transition toward a socialist market economy will depend on the extent to which we will be able to familiarize ourselves with, grasp, and make use of the multilateral trade mechanism of GATT and on whether or not we will be able to readjust both domestic economic structure and industrial policies in a timely manner and in accordance with the norms of international competition. Now it is still some time away from China's "entering GATT." After "entering GATT," we will also experience a transitional period in which we will reduce tariffs, formulate preferential tariffs, as well as also reducing other nontariff measures. Thus various economic departments and the broad masses of enterprises across the country should make full use of the precious "transitional period" to carry out self-readjustment so as to bravely face up to the test of international competition.

Article on Protective Measures Related to GATT

HK1003085093 Beijing GUOJI SHANGBAO in Chinese
20 Feb 93 p 3

[Article by Li Piaomin (2621 2613 3046): "On the Protection of National Infant Industries Under GATT"]

[Text]

I.

GATT not only provides various signatories with a standard on international trade behavior, so as to realize GATT's purpose of free competition and fair trade, but has also formulated special articles for dealing with special cases, plus the fact that the GATT is a quasi-international organization characterized by the binding force of treaty, which includes some very elastic articles, therefore, the signatories are enabled to take a series of "gray-zone measures" to develop their national industries and protect domestic markets for the sake of international trade.

After rejoining GATT, our country's situation will not resemble what has been envisaged by some comrades:

The domestic market will "have no pass to guard," and foreign goods will flood to every corner of our market. The situation is tariff reduction step by step.

Furthermore, we can use the relevant GATT articles to offer limited protection to the domestic market and industry; this is possible and necessary.

First of all, various countries in the world are carrying out trade protection policy to varying degrees, despite the fact that the GATT's purpose is to realize free competition and fair trade, and that it has formulated certain regulations and measures to check trade protectionism and remove trade barriers. Although various signatories have orally promised to observe GATT regulations, in fact they are taking measures to protect their domestic markets and national industries. According to the relevant statistics, at present, more than 1,200 kinds of protective measures are being employed by various countries in the world. Furthermore, the "new trade protectionism" (also called "super [chao 6389] trade protectionism") is rising. This kind of international trade and economic environment has provided our country with a favorable opportunity to strive for more measures to protect the domestic market and industry as we "rejoin GATT."

In addition, as a developing country our country certainly has the reason and the need to offer limited protection to the domestic market and industry. Judged from the current stage of development of industrialization in our country, if we begin competition with the developed countries on a totally free trade basis after we "rejoin GATT," the national industry at home will find it difficult to bear. Furthermore, despite the fact that we are currently employing a great variety of tariffs and a large number of measures restricting imports, several trades in the domestic market are still clashing. Judged from the rate of occupancy of the domestic market by imported goods: Foreign plastic industry special facilities occupy 91.8 percent of the sales in the domestic market; air conditioners, 90.19 percent; telephone exchange facilities, 77.83 percent; integrated circuit plates, 84.6 percent; cars, 59.2 percent, and industrial automation meters, 58.6 percent. These figures indicate that foreign goods are more competitive in the domestic market and that if we do not take some effective protective measures, the national industry will certainly be jeopardized.

Based on the history of trade protection reduction by some countries when they joined GATT, it conforms to the international customary practice that our country can adopt limited protective measures shortly after "rejoining GATT." Japan joined the GATT in 1960 at a time when its economy took off (it basically resembled the current stage of industrialization in our country). Japan said clearly when it "rejoined GATT," that in view of the difference between Japan and the Western countries on the employment issue, the key enterprises issue, and the stage of industrial development, Japan differed greatly from the Western countries in terms of

conditions and process when promoting trade liberalization. With this rationale, the Japanese proposed that when strengthening the competitiveness of domestic industry and changing its organizational pattern, their aim was "relative liberalization" of commodity competition. This shows that when Japan "rejoined GATT," what it adopted was trade liberalization under conditions of limited protection. We may borrow Japan's experience.

Finally, and this is the most crucial point, our country is a developing country, and according to GATT regulations that developing countries should enjoy preferential treatment, we certainly have the legitimate basis to offer protection to the domestic market and national industry.

At present, the key problem is how we can correctly, appropriately, and skillfully use protective measures without violating the regulations prescribed by the articles of the GATT. This requires us to familiarize with the main articles of the GATT on protection of domestic market and industry.

1. Impose emergency restrictions on imports. Article 19 of the GATT specifies the "emergency measure concerning the import of certain kinds of products." When a large quantity of foreign products pour into the domestic market, causing a major jeopardy or threat to the producers of the same products at home, restrictions can be imposed on that kind of product. For example, cancel the existing tariff reduction for that product, limit its quantity, and so on.

2. Protection of the fair competition environment in the domestic market. GATT Article 6 on "tariff against dumping and subsidy" says: Concerning the products which are imported through dumping and subsidy, a tariff against dumping and subsidy can be levied, as a way to punish them or limit their number, so as to eliminate the unfair activities in trade competition. The crucial problem here is how to precisely pinpoint the same kind of products in a third signatory country—for price reference—so that it can then be compared with the price of the same kind of products in the dumping country, so as to find a basis accusing it of dumping into our country.

3. Exception for safeguarding the balance between international income and expenditure. GATT Article 12 stipulates: To protect the external financial status of certain signatories, and to enable them to maintain balance between their international incomes and expenditures, these signatories are allowed to impose the necessary restrictions on the import of foreign products during a short period of time.

4. Exception concerning transparency. GATT Article 10 on "the promulgation and implementation of trade regulations" stipulates an exception concerning transparency, that is, signatories are not required to make public the confidential information which would hinder the implementation of orders, violate public interest, or jeopardize the legitimate commercial interest of a certain

public or private enterprise. We may utilize this exception rule to withhold from foreign businessmen the relevant information which involves the state's economic and trade interests and the commercial interests of enterprises.

5. The article on "Common Effective Preferential Tariff Scheme" for developing countries. This is the article giving the developing countries biggest protection when they carry out foreign trade. Its main contents are: The developed countries have the obligation, which they promise, to reduce or remove tariffs and other barriers in trade negotiations with other signatories who are developing countries, and must not expect reciprocity from the signatories who are developing countries. During the negotiations on "rejoining the GATT," we have used this kind of "Common Effective Preferential Tariff Scheme" to bargain with developed countries concerning tariff reduction and removal of the restrictions on quantity, so as to seek limited protection of the domestic market and industrial enterprises.

II.

How should we carry out limited and yet effective protection of the domestic market and national industry?

1. Pinpoint the key areas for protection.

The government and the comprehensive economic management departments should use the scientific position analysis method to precisely fix the key industries at home for protection.

First, we may borrow Japan's experience in joining GATT at a time when its economy took off. At that time, they divided their domestic industries and products into four categories: 1) The commodities which may practice liberalization as soon as possible; 2) the commodities which may practice liberalization in three years; 3) the commodities which cannot practice liberalization in a certain period of time; and 4) the commodities which cannot practice liberalization in a rather long period of time. Different protective measures were adopted for the later three categories of industries and commodities. Here, the crucial point is to choose the infant industrial sectors in the dominant industries and protect them.

At present, our country must choose the infant industrial sectors in the dominant industries of the nineties, and the criteria are: First, this kind of industrial sector has a higher elasticity of income; second, this kind of industrial sector has a stronger industrial connection; third, this kind of industrial sector has a faster productivity growth rate; fourth, this kind of industrial sector has a stronger ability for market competition; fifth, this kind of industrial sector has received a relatively large amount of capital input, but has yet to form economies of scale. Based on these criteria, and with an eye on the focus of struggle for division of labor in the international community, we should fix the key areas for trade protection

as: High- and new-tech industries and the basic industrial sectors such as heavy and chemical industries. But this does not mean that we will carry out thorough protection of these industrial sectors; it only means that we will select the crucial links of production and the crucial parts for protection. We think that at present, emphasis should go to the semifinished products of these trades, that is, basic materials and parts. Because these trades or products are the technological base of the processing industry, and if they cannot develop and we rely on importing scattered parts for assembling operations, we cannot enable our country's dominant industries of the nineties to fully develop.

2. Overcome the shortcomings of the current protective measures.

To protect and develop national industry, since the nation's founding, our country has consistently pursued rigid policies of protecting the domestic market. These rigid protection policies and the measures can be divided into two categories: protection by tariff and nontariff barriers. Among the nontariff barriers are the system of issuing permits for imports, channeled management of imports, and the system of examining and approving imports. Judged from the operation of these measures, which are still being employed, there are a series of problems which must be overcome in future work.

First, the domain and emphasis are inappropriate when protecting domestic industry. The principle of carrying out protective measures and limiting quantity is for the industries which have not stood up in the competition at home and abroad, and cannot stand up in a certain period to come. By guaranteeing that they occupy a certain portion of the domestic market, we may expedite their development. However, the protective measures we are now employing violate this principle and we carry out a high degree of tariff protection for the industrial enterprises and industries which have developed quite fully and possess a certain ability to compete in the international market. For example, textiles, chemical fibers, and cotton still maintain tariffs as high as 70-100 percent, and bicycles still keep a 100 percent tariff, and this has unnecessarily set up barriers and increased our country's tariff level.

Second, there are overlapping protective measures. According to international customary practice, the commodities which receive tariff protection will generally have the restrictions on quantity waived (except textiles and farm products), similarly, the imports which have restrictions imposed on their numbers do not have the need to be protected by high tariffs. However, our country practices many kinds of protective measures simultaneously. We practice high tariffs on the one hand and limit the quantity of imports on the other, while also carrying out channeled management of imports and the system of examining and approving imports. This has led to complicated formalities for imports and goods, excess protection, and affected our country's foreign trade image.

Third, implementation of trade protective measures has not embodied the regulations of market economy. We know that the international trade regulations promoted by GATT are regulations of market economy, and the goal of our country's economic restructuring is to establish a system of socialist market economy. It goes without saying that it is a must for the future economic system in our country to converge with GATT. However, at present, when we carry out measures to protect the domestic market, we have not observed the regulations of market economy, nor made arrangements according to the situation of supply and demand in the domestic market. Some commodities, which are hotly sought in the domestic market, and which cannot be adequately supplied by the enterprises at home, are subject to strict restrictions on import quantity like other goods and this has led to the rampant situation of counterfeit, poor, and smuggled products.

We should avoid the above-mentioned mistakes when we decide on new protective measures while "rejoining GATT."

3. The measures for protecting the domestic market and industry should emphasize nontariff protection.

Judged from the situation of operation of the protective measures adopted by various countries in the world, the practice of nontariff restrictions on imports has greater flexibility and concealment. Under the condition that the "new trade protectionism" is surging, various countries have opted for nontariff measures to protect their domestic markets. The nontariff measures generally taken by them include: The technological standard of products, and the quality standard of products. For example, the EC currently has 100,000 regulations and criteria on technology; the United States says the imported electric products must meet the UL standard, and the EC advocates that internal and external trade should conform to the International Standards Organization international quality standard system 9000. In the area of medicine inspection, various countries in the world have formulated very harsh market access criteria. When our country promises to decrease tariffs by 50 percent in three to five years, we should borrow experience from other countries, formulate a series of criteria and mechanisms for examining technology and quality, and refuse the entry of the goods which fail to satisfy the criteria. In addition, we should swiftly formulate the laws, regulations, and rules related to foreign trade, and use legal means to protect the domestic market and national industry. In the near future, we should formulate the laws and regulations such as the Foreign Trade Law and Antidumping Law, and quickly amend and perfect laws and regulations such as the Copyright Law and Patent Law.

4. Enterprises should look at their own conditions, actively reflect opinions to the relevant departments, and provide basic information on protection.

When the government adopts the methods and measures permitted by GATT to protect the domestic market and the infant industrial sectors, enterprises are naturally situated in the fundamental position. Therefore, when they pay attention to our country's process of "rejoining GATT," enterprises should analyze, study, and estimate the favorable and unfavorable factors within themselves, objectively assess the domestic market situation they would face after "rejoining GATT," actively reflect their own proposals to the relevant government departments, and strive for a more favorable development for themselves in terms of the conditions for and the process of "rejoining GATT." In particular, the enterprises in the infant industrial sectors should all the more honestly report to the relevant government departments trade and economic information, the developmental stage they are in, the standard of their products, and the standard of the products of the same trade in other GATT signatories, so as to prove that they are in the infant industrial development stage, and win the state's protection and support.

To conclude, through the common effort to be made by the government and enterprises and by the upper and lower levels, and by borrowing the experience in protection of market and enterprises from foreign countries, our country can promptly formulate and use protective measures which are in line with the international customary practice and GATT's demands on the one hand, and are effective on the other hand.

Foreign-Invested Firms Reportedly Evading Taxes
HK1003093693 Beijing ZHONGGUO XINWEN SHE
in English 1117 GMT 10 Mar 93

[Text] Beijing, March 9 (CNS)—According to a survey, the claimed value of tangible assets of some three type foreign-funded enterprises in China has been found to be generally higher than their actual value, resulting in losses to the Chinese partner of these enterprises and a huge loss of tax revenue.

The survey showed that, between November, 1991 and the end of 1992, of 155 enterprises invested by foreign businessmen whose assets had been checked by the commodity inspection departments of Jiangsu and Fujian provinces and Tianjin Municipality and were claimed to be worth a total value of US\$76.28 million, 152 of them were found to have quoted values totalling US\$22.026 million higher than their actual value.

According to an expert from the state commodity inspection department, the claimed value of equipment registered as investment in such enterprises by foreign businessmen has generally been found to be 20 percent higher than the department has found to be true.

According to statistics, more than 90 percent of foreign investment in the country is in the form of supplying material items rather than cash investment, and this percentage accounts for US\$8 billion. On the basis that half this value were overpriced, the loss suffered by the

Chinese side would amount to several hundred million US dollars and tax revenue would be badly hurt.

Import-Export Prohibitions, Limitations Revised
OW0903093593 Beijing XINHUA Domestic Service in
Chinese 0934 GMT 1 Mar 93

[Text] Beijing, 1 Mar (XINHUA)—Director Qian Guanlin of the General Administration of Customs [GAC] recently signed GAC Order No. 43, promulgating a revised "List of Articles Whose Import and Export Are Prohibited by the PRC" and a "List of Articles Whose Import and Export Are Limited by the PRC." The order will be put into force beginning 1 March 1993. At the same time, the "PRC GAC Notice Concerning a List of Articles Whose Import and Export Are Prohibited or Limited"—an order promulgated on 1 November 1987—will be canceled.

The revised "List of Articles Whose Import and Export Are Prohibited by the PRC" includes the following things whose import is prohibited: various kinds of weapons, simulated weapons, ammunition, and explosives; counterfeited currencies; valuable securities; publications, films, photographs, phonographs, movies, audio cassette tapes, video cassette tapes, laser discs, computer depository medium, and other articles which are harmful to Chinese politics, economy, culture, and moral standards; various kinds of strong poisons, opium, morphine, heroin, marijuana, and other habitual narcotics, and psychosedatives; animals, plants, and their products which carry dangerous viruses, destructive insects, and other harmful living things; and foods, drugs, and other commodities which are harmful to the health of people and domestic animals, which come from areas of epidemic, or which are able to spread diseases.

The following articles are not allowed to leave the country: All articles that are prohibited for import; manuscripts, publications, films, photographs, phonographs, movies, audio cassette tapes, video cassette tapes, laser discs, computer depository medium, and other articles which involve the state's secrecy; rare and valuable cultural relics and other cultural relics which are prohibited to leave the country; endangered and rare animals and plants (including specimens), and their seeds and propagation materials.

The revised "List of Articles Whose Import and Export Are Limited by the PRC" includes the following articles whose import is limited: radio receivers and transmitters, scramblers; tobacco products and liquors; endangered and rare animals and plants (including specimens) and their seeds and propagation materials; the state currency, and other articles whose import is limited by the GAC.

Articles whose export is limited include the following: gold, silver, and other valuable metals; the state currency; foreign currencies and other valuable securities; radio receivers and transmitters, scramblers; valuable

Chinese herbal medicines; general cultural relics, and other articles whose export is limited by the GAC.

It was learned that the revised lists have two main differences from the former one. First, simulative weapons are included in the list of articles whose import is prohibited. Second, the state currency which is prohibited from leaving or entering the country is now included in the limitation list. The limitation on carrying the state currency into or out of the country is 6,000 yuan.

Beijing Invests Increased Sum in Fixed Assets

OW0903093293 Beijing XINHUA in English 0912
GMT 9 Mar 93

[Text] Beijing, March 9 (XINHUA)—Investments in fixed assets in China's enterprises last year totaled 758.2 billion yuan (about 133 billion U.S. dollars), double that of 1987, according to the State Statistics Bureau.

Due to the change in China's investment mechanism, funds flowed into enterprises in the form of government revenue, credit loans, foreign funds and money pooled by enterprises.

Enterprises used to get finance mainly from the state. But the proportion of investment in the fixed assets by the state has shrunk year by year. It decreased from 13 percent in 1985 to seven percent in 1991, and was even smaller last year.

Chen Yun Praises Shanghai Development

HK0903100293 Hong Kong CHENG MING in Chinese
No 185, 1 Mar 93 p 18

[Article by Chuan Hsun-che (0278 6061 5074): "Chen Yun's 10-Point Proposal—Written Statement to Shanghai Party, Government Leaders"]

[Text] The 21 February internal bulletin issued by the CPC Central Committee General Office carried a written statement by Chen Yun entitled "Some of My Views and Ideas" (read out by Chen Yun's secretary at that time), given to Shanghai party and government leaders during his stay in Shanghai on 24 January.

"Some of My Views and Ideas" has 10 points and can be summed up as follows:

1. Shanghai has made very great achievements over the past year. This is the result of the fact that the leading group unites as one and has conscientiously and thoroughly implemented the party's basic line.

2. The Shanghai Municipal CPC Committee and Government and leading groups at various levels have proceeded with work in keeping with the spirit of Comrade Jiang Zemin's speech on the need to both emancipate the mind and seek truth from facts. This is correct, conforms to laws, and is scientific.

3. In opening up to the outside world and in reform, Shanghai diligently pursues opening up to the entire world. It does so with leadership and planning, systematically, and by making use of a system and legal protection, thus promoting reform. This is healthy and should be promoted.

4. In taking economic construction as the central task, Shanghai insists on playing nothing more than the China card. It is necessary and far-sighted to bravely and selectively absorb and introduce foreign capital. But it must not do so indiscriminately or without control and must not give up guidance.

5. Shanghai states that the work emphasis for this year is to greatly improve the city's infrastructure, communications, and housing. This is correct. When it sees problems in the process of development, it should resolve them promptly and by using all possible means.

6. Shanghai must stick to fostering party discipline, party building, and honesty among party and government leading groups. It should promote and give publicity to society's good practices and habits.

7. Party and government leaders of large enterprises, units, and schools of the municipality, various districts, and bureaus must continue to study basic Marxist theory. It is abnormal for a Marxist political party not to grasp basic Marxist theory.

8. It is correct to keep a cool head. International hegemony and power politics will not stop interfering in and subverting China. With their global strategy and hegemony, they do not want to see a powerful and strong China.

9. It is necessary to spend more money on universal education. For developing and upgrading the economy, the educational level and universal education are the key. If this question does not draw our close attention, we will make a serious mistake.

10. The economies of some sectors and localities are overheated because their guiding thought is incorrect and because their leading groups "have leftist tendencies" in the economic sphere. It is proper for the question to be raised and corrected now. Some localities and sectors continue to "release heat," and they should be stopped and criticized. Shanghai's leading group has taken the right path.

Circular Forbids State Economic Guarantees

OW1003040493 Beijing XINHUA in English 0340
GMT 10 Mar 93

[Text] Beijing, March 10 (XINHUA)—The General Office of China's State Council has issued a circular forbidding state organs to stand as guarantees for economic activities.

The circular noted that recently some enterprises and institutions asked state bodies to act as guarantor for loans and accept economic responsibilities.

The circular urged state organs to fully realize the risks and harmfulness of such guarantees.

It said state bodies do not have the ability to pay debts for other units. If they undertake such responsibility, they will have to pay debts for other units with their business funds and staff wages, otherwise it will cause many economic disputes and affect normal economic activities and order.

The circular said no state organs will be allowed to offer guarantees for enterprises and institutions in their economic activities. Those which have already given such guarantees should take effective measures to stop them immediately.

It said those leaders of state organs who violate regulations and approve such guarantees will be held responsible for any economic disputes and losses.

State Plans Streamlined Development Zones

OW0903190393 Beijing XINHUA in English 1529 GMT 9 Mar 93

[Text] Beijing, March 9 (XINHUA)—The Chinese Government plans to streamline the country's development areas so as to ensure a healthy growth, according to a ranking official in charge of land-use.

The official said that development areas set up without approval from central or provincial governments will be dismantled, while the government will examine the achievements of those that have been approved.

Economists here held that the streamlining is necessary to ensuring a healthy growth of development zones, while protecting the nation's land resources.

Since 1984 the central government has approved the setting up of 16 economic and technological development regions in coastal cities, which has given great impetus to the introduction of foreign funds, advanced technologies and managerial experience.

However, over the past year nearly 2,000 such areas have been set up, covering a total area of 15,000 sq km, some of which were set up by cities or even counties, the official said. Owing to many factors, such as shortages of funds, a large area of land has been left unused in these areas, according to the official.

He pointed out that, as a consequence, some of the existing development areas have been "opened" but have not been "developed".

Economist Warns Against 'Mistakes' in Reform

HK0903023093 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1140 GMT 8 Mar 93

[Text] Beijing, 8 Mar (ZHONGGUO TONGXUN SHE)—Wu Jinglian, a well-known mainland economist and senior research fellow at the State Council Development and Research Center, recently stated: China's market economy-oriented reform has already passed the critical point and no force on earth can stop it. In future, the main dangers will lie with the reformists themselves and in the possible mistakes cropping up in the reform process.

Wu Jinglian warned the mainland authorities in charge of economic operation against three things in particular at present:

1. Keeping close watch and control over the stock craze. Wu held that the basic work in this respect has yet to be improved. The market has yet to become mature, as there are only few listed companies. The idle funds in society have exceeded 1,000 billion yuan. As a result, supply has fallen short of demand. Share prices have failed to reflect the real profit-making capability of the companies concerned. Should the market collapse, there would be financial disorder and the masses of people would certainly feel a repugnance for the reform.

2. Keeping close watch and control over the price reform aimed at lightening the government financial burden rather than oriented toward the market. Wu pointed out: Last year, we benefited by raising grain prices. As a result, some people are now trying to lighten the government financial burden still further through the price reform without regard to distribution of resources. This trend might erode people's support for the reform.

3. The iron ricebowl, ironclad wages, and iron armchair are the results rather than causes of a planned economy. Therefore, the reform should not begin with these things. Since China has neither a labor market nor a social security system at the moment, where can dismissed workers earn a living? To forcibly push ahead with the reform without first having this premise settled would only increase resistance to the reform and cause negative results.

Beijing Makes 'Progress' in Rail Electrification

OW1003082793 Beijing XINHUA in English 0756 GMT 10 Mar 93

[Text] Fuzhou, March 10 (XINHUA)—China has made good progress in railway electrification, according to a recent national meeting held in Zhangping in east China's Fujian Province.

Altogether 948.7-kilometers of tracks were electrified and opened to traffic last year bringing the total length of electrified tracks to 8,434 kilometers, 15.7 percent of the country's total length of railways.

Last year saw four electrified lines go into operation. They are the 282-kilometer Lanzhou-Wuwei section of the Lanzhou-Xinjiang railway, the 308.5-kilometer Xinyang-Wuchang section of the Beijing-Guangzhou railway, the 116-kilometer Huaihua-Yuping section of the Hunan-Guizhou railway, and the 242.2-kilometer Dashizhuang-Qinhuangdao section of the Datong-Qinhuangdao railway.

The meeting was told that the state will speed up track electrification in the 1993-95 period.

Lines with a combined length of 4,800 kilometers are expected to be electrified during this period. Included are the Beijing-Zhengzhou, Harbin-Dalian, Baoji-Zhongwei, Baotou-Lanzhou and Zhangping-Xiamen railways.

The meeting disclosed that by the end of the century 20,000 kilometers of tracks will be electrified, accounting for more than 28 percent of the country's total length of railways.

Zhu Rongji Stresses Product Quality

OW0903190593 Beijing XINHUA in English 1555
GMT 9 Mar 93

[Text] Beijing, March 9 (XINHUA)—Vice-Premier Zhu Rongji has stressed that an emphasis on quality should be given top priority in economic work.

In an article carried in the first issue of the "CHINESE FAMOUS BRANDS" magazine, which was published here recently, Vice-Premier Zhu pointed out that as China implements the policy of opening to the outside world, the country's products will enter both the domestic and international markets.

The article notes that China is currently negotiating on restoration of its seat in GATT (General Agreement on Tariffs and Trade). If the quality of the country's products is not improved, the article warns, more and more enterprises will suffer losses.

Zhu stated in the article that China's foreign trade volume accounts for five percent of the world's total. Every year, China exports several dozen billion U.S. dollars worth of goods. If the quality of the goods is not high, China's image will be damaged, he said. In this sense, the issue of quality has not only economic significance, but also political significance. Product quality itself represents the image of the country and the spirit of the nation, he said.

The article notes that since China initially adopted the policies of reform and opening to the outside world, the overall quality of the country's products has been greatly improved. However, the problem of quality still exists, or can even be called serious.

The vice-premier emphasized that it is necessary to arouse respect for quality among all Chinese and launch a national campaign to improve the quality of Chinese-made products.

Consumers To Be Compensated for Poor Quality

OW0903134593 Beijing XINHUA in English 1033
GMT 9 Mar 93

[Text] Beijing, March 9 (XINHUA)—Chinese consumers will soon feel relief from a long-time headache, as starting from this year, a compensation system will be implemented in China's state-owned and collectively-owned stores for inferior commodities they had bought, according to Fu Limin, vice-minister of commerce.

Under the system the consumers will receive compensation and the commercial enterprises will take charge of the repair and replacement of inferior commodities or give cash returns at the request of consumers.

Quality has long been a major problem that gives consumers a headache. The establishment of a quality compensation system aims to protect the interests of consumers and make clear the responsibility for inferior commodities among commercial enterprises and producers so as to eliminate loopholes in the production and marketing of inferior and fake products.

Under the system, the stores will compensate the consumers first. This will be followed by a thorough investigation of the poor quality product to find out who is to blame.

If the producers are to blame, they will pay compensation to the commercial enterprises. In such serious cases as death or injury caused by the use of poor quality commodities, the stores and victims will jointly charge the producers for compensation or criminal responsibility.

The vice minister told reporters that this system will first be practised in the large commercial enterprises which have an annual business volume of over 100 million yuan (about 18.5 million U.S. dollars) each. The medium and small commercial enterprises will follow suit in the coming years.

Regulations To Aid Rural Enterprise Development

HK0903050893 Beijing CHINA DAILY in English 9
Mar 93 p 1

[By staff reporter Wang Yonghong: "Policies To Ensure Healthy Growth of Rural Firms"]

[Text] China has worked out a package of policies and regulations to ensure a healthy and smooth development of its fledgling rural enterprises.

The decrees announced by the Ministry of Agriculture included rules and regulations on the management of labour and life insurance for workers in rural enterprises

as well as on promoting and improving stock sharing and grouping systems of township firms.

According to the regulations, all enterprises are banned from employing child-workers under 16 years old and no sexual discrimination is allowed on the employment or payment.

It is stipulated that every enterprises must take measures to improve the working conditions to ensure workers' health and their safety.

Meanwhile, the environmental protection must be carefully considered for the establishment or production of the enterprises.

"It is imperative and important to create a favourable legal atmosphere for rural enterprises and for the protection of their legal rights," Zong Jinyao, director of the Bureau of Township Enterprise Management under the Ministry of Agriculture, said yesterday.

More than 20 rules and regulations on rural enterprises have so far been published, but Zong said it was far from enough compared with their increasingly important roles in the country's political, social and economic life.

Township enterprises have been playing a crucial, and in some cases, a lone role in promoting the rural economy, increasing farmers' income, promoting agricultural modernization and helping boost the national economy.

China has nearly 20 million rural enterprises with total fixed assets up to 360 billion yuan (\$62 billion).

More than 102 million rural workers are employed by township enterprises, more than that employed by State-run enterprises.

Thanks to rural enterprises, farmers have had their living standards improved remarkably and earned an average of 784 yuan 94130 last year, and even as high as 10,000 yuan (\$1,670) in some more developed areas.

Last year, the country's rural industrial output value totalled 1.65 trillion yuan (\$275 billion), accounting for 28 percent of the country's output, Zong revealed.

But a legal framework for township enterprises, which differ from State or collectively-run units, has not yet been established.

As a result, the legal rights of township enterprises have been repeatedly violated in recently years and economic disputes have emerged one after another among themselves or with other State or collectively-run units.

Meanwhile, the lack of laws and regulations has led to mismanagement, unnecessary duplication of projects, production of poor-quality goods, environmental pollution and waste of energy and materials as well illegal activities and criminal conduct during the development of rural enterprises.

"All those have badly hindered the smooth development of rural enterprises and a more independent legal system is urged to be established," Zong said.

According to Zong, a basic law is being drafted by his ministry which consists of sub-laws and regulations covering different trades, ownership systems and management styles in rural areas.

Zong said the establishment of such laws and regulations aims to stabilize the development policy for rural industry, protect its legal rights, standardize its management activities and accelerate its progress.

Shifting From Agriculture to Nonagricultural

HK1003091093 Beijing RENMIN RIBAO in Chinese
25 Feb 93 p 2

[From the "Talk on Changing One's Way of Thinking" column by Wu Ming (0702 6802): "How To Approach 'the Question of Shifting From Agriculture to Nonagricultural Sectors'"]

[Text] The question of shifting from agriculture to non-agricultural sectors is a sensitive one that can involve everyone. Even those who claim to be "pure" city dwellers can definitely trace their origins back to agriculture if they look up their "genealogies," because the agriculture sector is the oldest in any country, and industry and commerce have all split from agriculture.

But the word "split" sounds a little irritating. Because it is more often used in combination with bad terms, such as "split off the enemy" and "split the poor and the rich into two poles." In fact, "splitting" itself is not necessarily a bad thing. The economy is developing in the continuous redivision of labor in society and society is progressing in the process of continuously splitting from the original ranks. A decreasing number of peasants is a sign of a developed economy. At present, the agrarian population of the world's developed countries is generally below 10 percent, and that of the United States is only 2 percent.

In the past, under the highly concentrated planned economic system, peasants were rigidly interfered with. They could do nothing else but plow their land. They had no way out, other than "using their labor in the fields" and "wholeheartedly engaging themselves in agriculture." For decades, peasants in China were extremely stable. The agrarian population almost did not decrease, and yet the rural economy developed at a rate which was far from satisfactory. The 800 million peasants could not resolve the problem of food and clothing until reform was introduced. By comparison, the rural areas were backward, retarding the progress of the overall economy. Peasants' incomes were miserably low. Their annual per-capita income in 1978 was only some 130 yuan.

Reform has effected changes in China's economy. The liberation of rural productive forces came first of all. The

fact that the highly concentrated and unified management system has been smashed has enabled peasants to obtain the rights to choose freely and to share industrial and other resources. Peasants have split up at an accelerated rate, bringing along the speedy growth of the rural economy. In a decade or more, a work force of 100 million people has shifted to nonagricultural sectors, in contrast with the fact that only 20 million people or more were engaged in nonagricultural activities in 1978. Last year, township and town enterprises created over 1.500 trillion yuan in output value, a 30-odd-fold increase over 1978 and accounting for more than half of the rural economy. At present, the annual output value of township and town enterprises accounts for approximately one third of China's gross industrial output value and has become an important force that cannot be neglected. We can see from this that by "splitting" up and "shifting from agriculture to nonagricultural sectors," rural areas have thus benefited, and so has the whole country.

In the past 14 years, a rural work force of nearly 80 million people has shifted to nonagricultural fields, with an annual average shift of less than 6 million. Some people say the shift has been speedy. In fact, it has not been speedy, but too slow. According to conservative estimates, China currently has a work force of at least 450 million people and over 300 million still directly work in the fields. Since an excess number of the work force stays behind on limited cultivated land, China's agricultural labor productivity is very low and its annual average per-capita grain output is only a little more than one tonne, whereas that of the United States is 120 tonnes! What is worse is that for a fairly long time to come, China's agricultural labor force will continue to increase at a rate of more than 10 million each year. If we do not further quicken the pace of the shift, the difference in labor productivity will surely continue to widen. This is extremely unfavorable to us when participating in international market competition. Only by quickening the splitting of peasants and quickening the diversion of the rural work force can we regain the initiative and keep pace with the times.

How to quicken the shift from agriculture to nonagricultural sectors? In the preliminary stage of capitalism, people use extremely cruel and savage means of "penning in [juan di 0946 0966]," by which peasants are forced to go bankrupt and become abjectly poor, and then are forced to go into the city and do hard work there. We must not take and have not taken this beaten track. In the past decade or more, we have actively encouraged peasants to open up new scopes of production and develop new industries so that they can split up on their own and diversify naturally. During this process, peasants have not gone bankrupt but have prospered, and they have happily headed for a new life rather than being sad and miserable. In view of this, many foreign economists maintain that township and town enterprises are a great creation.

To meet the need of developing socialist market economy, we should further emancipate the mind, renew

concepts, expand the shift from agriculture to nonagricultural sectors, give peasants a greater choice of occupation, steadily proceed with a series of corresponding reforms including the household registration system reform, encourage peasants to advance to broader fields with wide steps, bravely develop tertiary and secondary industry, and bravely found new cities and towns.

In short, only by adopting the means of developing the economy and actively proceeding with the actual shift from agriculture to nonagricultural sectors (not simply changing household relationships) can the productivity of agrarian society be considerably increased; and only when more and more peasants find new, relatively stable jobs can they sever relationships with the farmland without hesitation, can the level of intensive agricultural management be upgraded, and can agricultural labor productivity be greatly improved.

Smashing the closedness of rural areas, gradually removing restrictions on peasants, and letting the rich rural labor resources flow into the "big market" will greatly promote the process of China's industrialization and urbanization.

Article on Agricultural Policy Targets, Means

HK1003054793 Beijing JINGJI GUANLI in Chinese No 11, 5 Nov 92 pp 10-13

[Article by Han Jun (7281 0193) and Wang Jianxiang (3769 1696 4382): "Choice of China's Agricultural Policy Targets and Means"—edited by Yang Jianxiu (2799 3005 0208)]

[Text] Over the past 40 years and more since the founding of the People's Republic, China has made achievements in agricultural growth that attract worldwide attention, but she still lacks an intrinsic mechanism for sustained, steady, and coordinated development of agriculture. The crux of the agricultural problem has not been overcome. As a basic industrial sector of the national economy, agriculture remains in a disadvantageous position, either in competition for resources, or for average social profits. Agriculture remains the sector that is the weakest in foundation in the national economy as a whole. In the face of such a strong contrast between theory and reality, it is necessary to analyze and discuss the choice of China's agricultural policy targets and means.

I.

Choice of China's Agricultural Policy Targets

From the angle of economics, agricultural policy targets can be summarized as: agricultural output target and the peasants' income target. So far as output target is concerned, the agricultural policy of various countries in the world today can be divided into two categories: strive to increase agricultural output; stabilize or even control the growth of agricultural output. Agriculturally underdeveloped countries pursue the former type of policy. The

United States, Canada, Australia, France, and agriculturally highly developed countries which have a surplus in the supply of agricultural products at home introduce the latter type of policy to a varying degree, with their policy targets emphasizing the promotion of readjusting the internal structure of agriculture. So far as the peasants' income is concerned, it is an important agricultural policy target of various countries to try to increase the peasants' income level. In agriculturally highly developed countries that have a surplus in the supply of farm produce, it has become the most important target of government agricultural policy.

(1) China's Agricultural Policy in the Past Varied With Changes in the Situation of Supply and Demand of Agricultural Products

Since liberation, the CPC and the Chinese Government have attached great importance to increasing the peasants' income and reducing the distinction between town and country, and there has been quite a big increase in the income of the peasants and their living standards. However, so far as the importance attached to the two respective targets of agricultural output and the peasants' income is concerned, we often lay emphasis on the growth of the former, and give inadequate attention to that of the latter. Before the seventies, such agricultural policy not only did not effectively promote the growth of output, but on the contrary led to a standstill of increase in the income of the peasants. From 1952 to 1978, the net annual average income of the peasants per capita increased only by 2.6 percent. Since the end of the seventies, China has attached great importance in policy to the growth of the peasants' income: The government has introduced the policies and measures of increasing by a big margin the purchasing prices of agricultural products, partly opening up their market, and carrying out the system of contracted responsibilities on the household basis with remuneration linked to output, which have effectively promoted the synchronous growth of agricultural output and the peasants' income. From 1979 to 1984, allowing for price rises, the net annual average income of the peasants per capita increased by 15.1 percent. However, after the agricultural bumper harvest in 1984, due to an incorrect estimation of the agricultural situation, policies were adopted in production and circulation which were unfavorable to total agricultural output, and more unfavorable to increasing the peasants' income. This resulted in a standstill of agricultural production for four consecutive years, and the peasants' income could only increase at a low rate. From 1985 to 1988, the growth rate of net annual average income of the peasants per capita was reduced to 4 percent. Since 1988, the government has again introduced many effective measures to increase agricultural output, but did not give corresponding attention to increasing the peasants' income. Consequently, although there was a bumper harvest of grain for three years running, the net income of the peasants per capita in 1989 was reduced by 1.6 percent compared with 1988, their income per capita in 1990 increased

only 1.8 percent, and their net income per capita in 1991 increased only by about 3 percent. Such a margin of increase is the lowest since the founding of the PRC. The lack of coordination between the growth of agricultural output and that of the peasants' income has reached the most serious extent since the founding of the PRC.

That China's agricultural policy leans toward the target of agricultural output is no doubt directly related to the situation that China is short of supply of farm produce over a long period of time, yet the underlying reason lies in China's economic development strategy of seriously leaning toward industry. Under such a strategy, the agricultural sector has actually become a tool for supplying low cost raw and processed materials and food to industries and cities, and agriculture has always been placed in a position of providing primary accumulation for urban industrial development, which seriously neglects its own development and the interest of the peasants. Only when the shortage of agricultural products becomes so serious that it would soon restrain the industrial development and the life of the residents in cities and towns would the agricultural problem capture the attention of the central authorities. It is precisely governed by such ideology that the foundation position of China's agriculture has never been truly established. China's agricultural policy always changes with the fluctuation of the situation of supply and demand of agricultural products, and a fine agricultural development mechanism has not been constituted.

(2) The Orientation Which China's Agricultural Policy Targets Should Take at the Present Stage

Agriculture is by no means simply a matter of constant growth in the supply of agricultural products in kind, but also a matter of the peasants, a matter of constantly increasing the income of the peasants and reducing the distinction between town and country. Agricultural policy targets should not primarily be the output target; the target of the peasants' income should also be placed in an equally important position.

The contributions of agriculture toward economic development can be summarized into three aspects: first, products contribution, i.e., to provide food and various kinds of raw and processed materials required for the development of non-agricultural industries; second, essential factors contribution, i.e., to provide surplus labor forces and surplus capital for the industrial sector; third, market contribution, i.e., to provide important sales markets for domestic consumption and means of production during the initial period of economic development. In agricultural policy targets, China in fact attaches special importance to "products contribution" and "essential factors contribution," and pays inadequate attention to "market contribution." Judged by China's national condition and long-term development, vigorous increases in the supply of agricultural products should be an important target of China's agricultural policy. But the problem lies in the fact that China's industrial development relies excessively on getting

essential factors of capital from the weak agricultural sector through an unequal exchange between industrial and agricultural products. According to the research done by Mr. Niu Roufeng, from 1952 to 1989 the net loss of funds of the agricultural sector reached over 700 billion yuan, and one-fifth of the value newly created by agriculture was transferred to other sectors, which resulted in slow increases in the peasants' income and too wide a gap of income between town and country. In 1978, the ratio between the income of living expenses of the residents in cities and towns per capita and the net income of the peasants per capita was 2.36:1. In 1984, the gap of income between residents in town and country was reduced to 1.71:1. But in 1990, the gap was widened again to 2.2 to 1, back to the level of the early eighties. If we take into account the fact that a part of the peasants' net income must be used on expanded reproduction, and also take into consideration various kinds of social welfare and consumption subsidies the residents in cities and towns enjoy, then the gap of income between town and country residents would be even bigger. The low level of the peasants' income seriously affects the agricultural sector to give play to its role of "market contribution."

Since the founding of the PRC, agriculture has made a tremendous contribution to providing capital accumulation for industry. China's industry has already reached a considerable level, and it is time to stop drawing capital from the agricultural sector for industrial development. Agriculture remains an important sector of China's national economy. Calculated by current prices, the national income created by the agricultural sector still occupies about 35 percent, and the agricultural population is China's greatest potential consumption group. Therefore, in market development, we should eye not only the urban market and the international market, but also the continued development of the rural market, which has a population of 1 billion. So far as China's current market situation is concerned, weak market refers mainly to weak rural market. Apart from the structural cause, the fundamental reason for a weak rural market lies in slow increases in the peasants' income, which leads to a decline in their purchasing power. From now on, we should give better play to the "market contribution" of agriculture. While we continue attaching importance to increasing agricultural output, we must regard increasing the peasants' income as an important agricultural policy target. Thus, agriculture will dynamically make its own contribution to industrial development, and the tense relations between industry and agriculture will be gradually eased, promoting the sustained, steady, and coordinated development of the national economy as a whole.

II.

Choice of China's Agricultural Policy Means

Agricultural policy means can be divided into: the means to increase the supply of agricultural products, and the

means to increase the peasants' income through agricultural operation. In reality, certain policy measures can often promote at the same time to a varying degree the realization of the agricultural output target and the target of the peasants' income. To effectively increase the supply of agricultural products and constantly raise the income of the peasants, we should emphasize solving well the following problems in the choice of agricultural policy means:

(1) Agricultural Input

Long-term and steady growth in the supply of agricultural products first of all depends on constant increases in agricultural input, i.e., increases in input of essential factors such as capital, technology, land, and labor forces. Of these, capital and technology are the most important factors. In the growth of agricultural output in developed countries, the contribution rate of the factor of technological progress accounts for over 60 percent. Fundamentally speaking, the constant growth of agricultural output depends on the rate of technological progress and the extent of its application in agriculture, but they both require a large amount of capital input. According to estimates, in the growth of China's present agricultural output, the contribution rate of the factor of technological progress accounts for only 30 to 40 percent. And there is a serious shortage of short-term and long-term capital input. From 1979 to 1990, the amount of investment by the state in agricultural capital construction increased only by 32.1 percent, yet the total amount of investment in capital construction increased by 2.4 times. The proportion of the state's financial support to agricultural production, and the proportion of expenditure of agricultural undertaking expenses in total financial expenditure was: 6.6 percent during the Fifth Five-Year Plan period, 6.3 percent during the Sixth Five-Year Plan period, and only 5.7 percent during the Seventh Five-Year Plan period. The expenditure of financial support to agriculture in 1989 increased only 21.8 percent compared with 1979, much lower than the 112.6 percent growth of total financial expenditure during the same period. From 1979 to 1990 the annual average progressive increases in balance of various bank loans was 20 percent, and the growth rate of agricultural credits used for cultivation during the same period was less than 3 percent; in the last 10 years, agricultural credits in general only occupied 6.7 percent of the total amount of funds used from bank loans, much lower than the 30-40 percent level in some developed countries. To ensure long-term and steady growth in the supply of agricultural products, we must regard the increase in agricultural input in technology and capital as the two most important policy means. To realize agricultural growth by means of science and technology, it is necessary to build up and improve agricultural scientific and technological service system, increase agricultural scientific and technological input, and improve its economic performance. Moreover, it is necessary to change fundamentally the resources allocation structure of the national economy built up in the past. During the Eighth

Five-Year Plan period, efforts should be made to increase the proportion of financial investment in agricultural capital construction to about 10 percent of total capital construction investment, and increase the proportion of funds financed by the state to support agriculture to approximately 10 percent of total financial expenditure. Moreover, it is necessary to increase credit input in agriculture by a big margin by preferential interest rate through financial discount interest.

(2) Prices and Market

Prices have dual functions of regulating the distribution of income and the allocation of resources. To work out a rational pricing policy of agricultural products is of important significance to realizing the policy targets of increasing agriculture output and the peasants' income. The core of readjusting China's pricing policy of agricultural products is to rationalize the pricing structure and gradually transform the price formation mechanism fundamentally. Now there are four outstanding problems in prices of agricultural products: first, irrational price parities between industrial and agricultural products. At the end of the seventies, as the government increased on many occasions the purchasing prices of agricultural products, price relations between industrial and agricultural products gradually became rational; but after 1989 there was a trend that the price differential widened again. Second, irrational price parities between agricultural products; prices and earnings from grain, cotton, oil and other staple crops are lower than those of farm produce whose prices are completely released; among staple crops, prices and earnings from grain are lower than those from cotton and oil. Third, purchase and marketing prices are seriously inverted, for which various subsidies paid by the state by the end of 1990 reached over 40 billion yuan. Fourth, original prices of agricultural products are somewhat low, unfavorable to mobilizing the initiative of origins.

The basic reason for price parities between industrial and agricultural products lies in the fact that in recent years prices of most of the industrial products have been released, and those of staple crops are still under control by state plans. The reason for irrational prices between purchase and marketing prices and production and marketing prices are also related to price formation mechanism. In the long-term perspective, we must transform price formation mechanisms fundamentally, so that prices will mainly be regulated by the market.

Price policy and market policy are actually two aspects of the same issue. Simply releasing prices while neglecting the building of pricing structure will inevitably lead to confusion. The outstanding problems which now exist in the marketing system of agricultural products are: the marketing system is imperfect, seriously split and dismembered, and lacks unity. A unified and smooth farm produce marketing system, including wholesale market, specialized market, and trade fair, has not been built up. In recent years, the consecutive building of the wheat wholesale market in Zhengzhou, of seven regional grain

wholesale markets, and of the wholesale marketing system of other agricultural products at different levels is an important progress in China's reform of the circulation system of agricultural products, but the building of the market does not mean the formation of the market mechanism. To ensure effective operation of the wholesale marketing system of agricultural products, it is now necessary to first step up working out rules and regulations in import-export, operation, and competition, and rules and regulations for curbing regional blockade and departmental monopoly; second, to push "state-owned and cooperative businesses" completely to the market, so that they and various types of civilian purchase and marketing organizations can compete on an equal basis so as to build up a steady and highly efficient channel; third, to effectively carry out macroeconomic regulation and control by using comprehensively such economic levers as finance, credit, taxation and prices, and administrative, legal regulatory means. For major agricultural products that have important bearing on the national economy and the people's livelihood such as grain and cotton, it is necessary to build up as soon as possible a reserve regulatory system to provide for both bumper harvest and crop failure and to regulate social supply and demand. For agricultural products of which the prices have been completely released, we should carry out effective intervention of the market through a target price system to guard against drastic market fluctuation.

(3) Transfer of Agricultural Labor Forces and Scale Operation of Land

The basic reason for low benefits of China's agriculture lies in the low level of agricultural labor productivity, and the fundamental way out for agricultural growth can only be a big increase in agricultural labor productivity, and a narrowing of the gap of labor productivity between agriculture and other industries.

The key to heightening agricultural labor productivity lies in the constant transfer of agricultural labor forces to nonagriculture jobs and the formation of the appropriate operational scale of farmland. The proportion of China's agricultural labor forces at the end of the eighties stabilized at about 60 percent of the labor forces in the whole society. According to forecasts, in the nineties there will be a net annual increase of over 8 million rural labor forces of the right age; added to the 100 million surplus labor forces already existing in the rural areas, the task of transfer of agricultural labor forces is extremely arduous. According to international experiences, it takes at least over half a century to reduce the proportion of agricultural labor forces from 60 to 20 percent. At present, we should promote the progress of agricultural labor forces transfer actively and safely on the basis of the bearing capacity of the national economy as a whole, and handle well the following three relationships: First, the relationship between employment of the labor forces within agriculture and their transfer to other industries. China is one of the countries in the world that possesses the fewest agricultural resources per capita, but the use of resources is relatively inadequate, and in particular the

potential for developing noncultivated area resources remains quite great. Therefore, it is still feasible and necessary to further tap the employment potential within agriculture. However, the fundamental way out for solving the employment problem of agricultural surplus labor forces still lies in developing secondary and tertiary industries. Second, the relationship between the transfer of agricultural labor forces within the rural areas and their transfer to cities. In 1990, the number of people unemployed in cities and towns amounted to 3.78 million, accounting for 2.6 percent of the total population in cities and towns. It is generally believed that about 5 percent of the unemployment rate is normal and safe. The key is that we must have some kind of employment stability mechanism. At present, China regards restricting rural labor forces coming into cities as the employment stability mechanism for cities and towns. That is not the best way out. True, the phenomenon of being "unemployed at post" in China's cities and towns is more serious than being employed, but we should also see that after agricultural labor forces coming into cities and are employed, they will produce an employment multiplication effect; i.e., their own demand will further create more employment opportunities. Of course we must not take a completely laissez-faire attitude toward such kinds of transfer. Third, the relationship between employment development of rural labor forces and intelligence development. China's rural labor forces are low in quality, and are not in a position to adapt to the need of industrial development. Efforts should be made in the future to optimize the quality of labor forces and regard it as a foundation work to ensure the successful transfer of rural labor forces.

In the course of the transfer of agricultural labor forces, the promotion of land circulation and the building of appropriate land operational scale should be an important aspect of China's agricultural policy. Here we should both take into account the extent of agricultural labor forces transfer, and also solve well the security problem of life and employment of the peasants that have completely given up their land after transfer. At present, we should guard against two tendencies in promoting scale operation of land: first, compulsory introduction against the law of the economy when conditions do not exist; second, when conditions do exist, instead of giving vigorous guidance, they take a passive wait-and-see attitude. Now the focal point of the work is to strive to create necessary conditions.

(4) Building Agricultural Microeconomic Organizations and Systems

The sustained and steady growth of agriculture requires a fine microeconomic organization and system to be the guarantee, of which the most important is the building of

the system of agricultural cooperative economic organization and the land system. In the days to come, we should turn the growth of agricultural cooperative economy into conscious actions of the broad masses of the peasants and basic-level cadres in the rural areas. In the course of developing agricultural cooperative economy, administrative guidance is necessary, but the objective requirements of economic development should be the prerequisite for the growth of cooperative economy. Right now, we must improve the two-tier operational structure of the community cooperative economic organizations under the principle of "merging, if merging is suitable, and separation if separation is suitable." Second [as published], vigorously support and encourage the development of various specialized cooperative economic organizations.

So far as the building of the land system is concerned, emphasis should be laid on solving well three problems: First, carry out a long-term leasing system under the form of publicly owned property rights. To avoid insufficient land input, especially long-term input and the plundering use of land resources, we should further prolong the leasing period of rural collective land to 30-50 years. The possibility of a permanent lease of land can also be explored. During the leasing period, to strengthen effective control of the behavior of irrational use of land resources, we may introduce the system of lease renewal, i.e., peasant households are required to complete leasing renewal formalities at regular intervals. Second, give land users ample rights. For example, peasant households may transfer or mortgage land use rights when permitted. Third, standardize by legal means the leasing and taxation relations between peasant households and the collective and between peasant households and the state. At present, the relationships between peasant households and the collective are extremely unstandardized; the collective can retain the amount of profits as it pleases and the amount retained is not fixed; the profits retained are to a great extent of the nature of taxes and not of rent. To deal with such a situation, peasant households and the collective are required to sign a lease that is truly binding, in which the basis and standards for rental payment are clearly stipulated. During the leasing period, proper readjustment of rental payment can be made at regular intervals. When the collective decides to recover the land, it must compensate the peasant households for the added value of the land through soil improvement. So far as the relations between the peasant households and the state is concerned, now the "overt taxes" the peasants pay are not too high, but the "covert taxes" they pay through low purchasing prices of agricultural products are not low. In the future, we should change covert taxes into overt taxes, and it is not suitable to increase the overall tax burden. We should also standardize these relationships through legislative means.

East Region

Jiangxi Government Work Report

HK0603060093 Nanchang JIANGXI RIBAO in Chinese
7 Feb 93 pp 1-3

[Jiangxi Province Government Work Report delivered by Governor Wu Guanzheng to the First Session of the Eighth Provincial People's Congress on 31 January 1993]

[Text] Fellow delegates:

On behalf of the provincial people's government, I now submit the government work report to the session for deliberation.

I

Review of the Past Five Years

The past five years have been an important period for Jiangxi's economic development, reform, and opening up. Over the past five years, we have resolutely implemented the party's basic line and persisted in promoting development with reform and opening up, which enormously enhanced Jiangxi's overall economic strength. Since the implementation of Comrade Deng Xiaoping's important talks made during his southern trip and the spirit of the enlarged Political Bureau Conference and the 14th party congress in particular, the whole province has made further efforts to emancipate the mind and seize the opportunity to accelerate the pace of reform, opening up, and economic construction. In 1992, Jiangxi's gross national product [GNP] totaled 54.5 billion yuan, a 51.1 percent increase over 1987; industrial and agricultural output value amounted to 94.9 billion yuan, a rise of 72.2 percent; revenue topped 5.02 billion yuan, an increase of 77.9 percent; and the natural growth of population was 12.4 per 1000, which was within control. Full of vigor and vitality, the whole province has entered a new stage of development.

We have integrated reform with development, vigorously formulated and implemented a number of measures for reform and opening up in connection with reality, and taken big strides in establishing a socialist market economic system.

Last year's enterprise reform was focused on improving the contract responsibility system for operation and changing the enterprise operation mechanism. By the end of 1992, some 86.9 percent of the state-owned industrial and commercial enterprises at and above county level signed the second round of contracts, 195 enterprises conducted various forms of experiments in changing their operation mechanism, 91 percent of state retailers introduced reform in four aspects, 95 percent of the material supply enterprises reformed the four systems, and foreign trade enterprises comprehensively implemented the contracted responsibility system of assuming sole responsibility for profits and losses.

Reform of labor, personnel, and distribution systems started in an all-around way. The Jiangling Automobile, Jingdezhen Chinaware, and a number of enterprise groups were set up. In price reform, Jiangxi readjusted and abolished the plan for transferring negotiated grain prices to list prices, abolished the assigned purchases of live hogs, curtailed the sales of grain at original prices, and comprehensively lifted the restrictions on prices of grain and edible oil. The issuing of ration coupons for commodities ceased. The proportion of prices regulated by the market accounted for over 96 percent in total retail sales and for over 86 percent in the sales of materials. In nurturing the market, the building of all kinds of markets was accelerated. Jiangxi had 484 various kinds of special and wholesale markets and 2,548 country fairs, with the annual volume of transactions totaling 8.4 billion yuan. Progress was registered in the market for capital, labor, technology, and other essential production factors. To break the barriers erected between regions and markets, Jiangxi dismantled more than 2,200 check posts. Rural reform was focused on continuously stabilizing and perfecting the contracted responsibility system based on the household with payment linked to output, establishing a management system in rural areas in which unified management is combined with separate management, developing a socialized service system, gradually expanding the collective economic strength, and vigorously encouraging and helping peasants engage in nonagricultural industry. In corresponding reforms, the three housing reforms were comprehensively implemented, and Nanchang plans to put its housing reform package into implementation soon; 98 percent of staff members were involved in the medical care reform; the province took the lead in the country in the provincial authorities making overall arrangements for the retirement of staff members of the state enterprises, while the county authorities made such arrangements for staff members of collective enterprises. The county-level structural reform was tried in Jishui, Yushan, Dingnan, and Dexing. New achievements were made in the Ganzhou regional reform experiment. New progress was registered in the reform of the planning and financial systems.

Jiangxi opened itself wider to the outside world, and a structure of opening up at all levels with focal points took shape provincewide. The decision on building the Nanchang-Jiujiang industrial corridor proposed in early 1992 evoked great repercussions and attracted attention at home and abroad. Now eight open and development zones are in the corridor, where the use of foreign investment and progress of infrastructure building has been rapid. The policies for the coastal open cities are now applicable to Nanchang and Jiujiang, the two ports which have passed inspections. In light of the idea of "going north and south and entering east," Jiangxi held export commodity fairs and economic and technological trade talks through visits by provincial leaders to Hong Kong and abroad, which improved our investment environment, increased efficiency, and led to a breakthrough in attracting foreign investors. In 1992 Jiangxi signed

963 contracts for foreign investment, involving an investment of \$750 million and an actual use of \$200 million of foreign capital. New achievements were attained in foreign economic and technological cooperation, labor export, and contracting projects abroad.

Marked results were achieved in comprehensive agricultural development, farm produce increased by a wide margin, a breakthrough was made in readjusting the agricultural structure, township enterprises maintained a high growth, and the rural economy developed in the direction of specialization, commercialization, and socialization.

In light of the requirements of bringing agriculture and rural work onto the track of a comparatively affluent level, Jiangxi further strengthened agriculture and rural work. The province's total agricultural output reached 31.7 billion yuan in 1992, an increase of 28.7 percent over 1987. The rural industrial setup underwent a profound change. In the total output value of agriculture, the proportion of forestry, animal husbandry, sideline occupation, and fishery production rose from 44.7 percent to 48.6 percent. In the total social product in rural areas, the output value of nonagricultural industry accounted for 50.2 percent. Bumper grain harvests were reaped for consecutive years. Both the unit per area yield and the proportion of fine-bred rice rose. Despite the decrease in sown area and numerous natural disasters in 1992, total grain output amounted to 15.66 million tonnes. Output of major farm produce reached an all-time high: Edible oil, 795,000 tonnes, a rise of 120 percent; cotton, 142,500 tonnes, up 140 percent; sugar cane, 2.626 million tonnes, up 37.6 percent; tobacco, 35,700 tonnes, up 910 percent; and silk cocoons, 10,900 tonnes, up 1,360 percent. Jiangxi had sufficient or ample supplies of raw materials for industry. Animal husbandry and fisheries developed rapidly. Output of meat increased 59.4 percent and aquatic products rose 67.7 percent. A total of 30 million mu of land was afforested in five years. The amount of trees grown exceeded that consumed, and the area of afforestation increased from 35.9 percent in 1988 to 40.3 percent in 1991, ranking second in the country. Township enterprises adhered to the principle of big development and improvement. Total output value of township enterprises and township industry increased by 290 percent and 310 percent, respectively, bringing the province's position from 22d in the country to 17th. Total output value of the farm reclamation enterprises rose 150 percent, an annual average of 20.4 percent. A total of 1.13 billion labor days were contributed to water conservancy works, and an area of over 6 million mu of irrigation was newly built and developed. In the first four battles of the comprehensive agricultural development, Jiangxi reclaimed a total of 27.459 million mu of barren land; implemented the goose and duck project, silk worm project, fruit project, and water development project; organized the red soil project, Jihu comprehensive agricultural project, central and southern Jiangxi agricultural project, Boyang Lake comprehensive development project, and a number

of large agricultural projects; and established a number of commodity and foreign exchange earning bases. All trades and professions supported agriculture, and various fields increased investment in agriculture. Over the past five years, the financial departments at all levels in the province invested a total of 2.82 billion yuan in agriculture. Marked results were achieved in construction of the base areas and the help-the-poor project. Protection of cultivated land was ensured.

The province readjusted industry, improved the industrial setup and product mix, accelerated the pace of enterprise technical transformation, and developed a number of leading products. Based on increasing efficiency, industrial production maintained a relatively high growth.

In focusing on increasing economic efficiency, Jiangxi vigorously readjusted the structure, paid close attention to enterprise technical transformation, improved quality, reduced consumption, and increased the competitiveness of enterprises. The province's total industrial output value amounted to 63.2 billion yuan in 1992, an increase of 102 percent over 1987. Power generation and output of steel, iron, cement, chemical fertilizer, trucks, tobacco, and other major manufactured goods increased by a wide margin. Enterprise economic efficiency increased remarkably. Output value of the province's budgetary industrial enterprises in 1992 increased by 18.4 percent over the previous year, sales income rose 19.8 percent, profits and taxes went up 45.1 percent, and deficits dropped 42.9 percent. Jiangxi ranked in the front of the country in terms of the growth of its major economic efficiency quotas. Structural readjustment produced initial results. In light of the state's industrial policies and market demand, the province supported and developed a number of competitive leading products. The quality rate of the key products assessed was over 85 percent. Enterprises turning out inferior, unsalable, and losing products were urged to limit or suspend their production. Those that turned out useless products, resulting in overstocking and long-term deficits, were ordered to shut down, suspend production, merge with other enterprises, or transfer to the manufacture of other products. Thanks to acceleration of the pace of technical transformation, Jiangxi implemented the technical transformation projects, and focused on 30 leading products, 40 profit-making enterprises, 50 foreign-exchange earning enterprises, and 60 old backbone enterprises. In light of the requirements of a high starting point, high level, high efficiency, and a large scale, the province vigorously merged and transformed the old enterprises. Jiangxi completed the technological transformation and upgrading of 60 projects. As a result, a number of enterprises and products reached the advanced level at home. Some approached or reached advanced world levels. The province also developed 4,734 new products, of which 902 filled the gaps at home.

Investment in fixed assets increased by a wide margin; building of energy, transportation, communications, and other basic facilities was further enhanced; and a number

of key projects were completed and put into operation, further enhancing the staying power for economic development.

Over the past five years, investment in the province's fixed assets totaled 43.67 billion yuan, an increase of around 100 percent over the previous five years. The investment structure further improved, with more investment in energy, raw materials, transportation, post, telecommunications, and other basic facilities, and a larger proportion of investment in technological transformation. The key construction projects were strengthened, and 40 of them were completed, put into operation, or delivered to users. The completion and starting operation of the expansion of the Nanchang Power Plant, Lianhua Power Plant, Wanan Hydropower Plant, and second phase project of the Jiujiang Power Plant provided an extra installed capacity of 1.16 million kw. Construction of the Zhejiang-Jiangxi double track railway and Yintan-Xiamen electrified railway was stepped up. Construction of the Xiangji Railway, Jiusha Railway, Nangao First Grade Highway, and Changjiu Highway was completed. A total length of 3,500 km of national and provincial highways were transformed and newly built, which included 1,437 km of grade two and above highways, an increase of 160 percent over 1987. The province had 150,000 new telephone subscribers, laid 324 km of fiber optics communications line, and set up 1,380 km of digital microwave communications line. The cities in Jiangxi took the lead in the country in programming telephone exchange and digitizing long-distance transmission. A number of key projects were completed and put into operation. They include the 20,000-tonne short-staple project of the Jiujiang Chemical Fiber Plant, the Yangjishan Gold Mine, the 10,000-tonne conductex project of the Nanchang Chemical Raw Materials Plant, the third phase project of the Dexing Copper Mine, the uramphite project of the Guixi Chemical Fertilizer Plant, the kiln dissolution production line of the Jiangxi Cement Plant, the 10,000-tonne organic silicon project of the Xinghuo Chemical Plant, the expansion project of the Jiangxi Ammonia Plant, and the Fuzhou Paper Mill. A number of key projects underwent technological transformation. The second-phase technical transformation project of the Jiangxi Automobile Factory, the VC project of the Ganjiang Pharmaceutical Factory, the polypropylene project of the Jiujiang Phosphate Fertilizer Plant, the loading production line of the Yichun Engineering Machine Plant, the vacuum relay production and technology equipment of the State 897 Plant, the throwing production line and packing equipment of the Nanchang Cigarette Factory and the Gannan Cigarette Factory, and the nogalamycin project of the Jiangxi Pharmaceutical Factory were completed and put into operation.

Circulation was further expanded, the market was brisk, foreign trade increased rapidly, finance developed steadily, and a balance was maintained in revenue and expenditure.

As in production, priority was given to market development and sales expansion. A series of policies were formulated for unclogging circulation, which resulted in the shaping of the various forms of circulation structure at all levels with fewer intermediate links. The volume of retail sales in 1992 totaled 22.97 billion yuan, an increase of 82.2 percent over 1987. While further expanding the state sector, development of the individual, private, and collective sectors was encouraged. The province had 427,000 individual industrial and commercial firms and private enterprises, with 914,000 people involved. Lateral economic ties further expanded. The volume of the agreed-upon materials delivered in and out of the province totaled 6.2 billion yuan in 1992. Jiangxi attracted 300 million yuan of capital from other provinces and cities. The province turned deficits into profits in foreign trade for the first time in 1991, when around 400 million yuan of deficits were reduced compared with the previous year. The volume of exports totaled \$774 million in 1992, an increase of 92.5 percent over 1987. Tourism developed rapidly, and foreign exchange income from tourism increased 390 percent.

Banking developed steadily. By the end of 1992, all kinds of savings deposits in the province's banks totaled 42.94 billion yuan, an increase of 160 percent from 1987. The banks granted 58.39 billion yuan of loans, up 175 percent. Insurance premiums totaled 798 million yuan, up 390 percent. The banking departments earnestly implemented the state's policies, encouraged savings, curtailed excessive working capital, kept credit within control, readjusted the credit structure, increased effective input, and did a great deal of work to promote economic construction.

In focusing on promoting economic development, the province's financial and taxation departments achieved marked successes in introducing reform, strengthening management, and levying taxes. Over the past five years, a three-year fixed contract was introduced in Ganzhou Prefecture and a progressive-increase contract was implemented in Jingdezhen. The counties relying on financial subsidies were given special support to develop production. Counties with conditions were encouraged to deliver more revenue. The comprehensive contract system was implemented for the metallurgical and medicine corporations for the sake of invigorating these enterprises. Measures were adopted to strengthen finance and tax collection at the county and township levels and to strengthen scattered tax collection in rural areas. Jiangxi ensured the necessary expenditures for supporting agriculture, education, science, and administrative undertakings. The province's revenue increased at an annual rate of 12.2 percent over the past five years, maintained a balance of revenue and expenditure. Revenue delivered by Ganzhou, Zhangshu, Nankang, Fengcheng, Jian, and Yichun exceeded 100 million yuan each.

Marked progress was made in science, technology, education, and other social undertakings; the building of

spiritual civilization was further strengthened; and new successes were achieved in the building of democracy and the legal system.

In focusing on turning the scientific and technological achievements into productive forces, the province attained over 3,600 scientific and technological achievements over the past five years, out of which 753 province-level and 63 national-level science and technology awards were won and over 800 items obtained patent rights. Thanks to the implementation of the Spark Plan, bumper harvest plan, and the 1296 project of boosting agriculture with science and technology as well as to the establishment of a number of science and technology demonstration bases, a number of large agrotechnology and science entities took shape. Industrial science and technology work was further strengthened and a number of new achievements, technology, and techniques were applied and popularized. New high technology developed rapidly; production of some 40 new high technology products, including the new medicine "Boruoke," began to take shape; and a state-level Nanchang new high technology zone was established. Jiangxi set up a natural science base and attained new achievements in basic theoretical research, application and development research, and social science research.

All kinds of education developed rapidly at various levels. The province trained 895 postgraduates over the past five years. A total of 287,000 students graduated from institutions of higher learning and special secondary schools. The province basically popularized primary education in 1991, and some cities and counties practiced compulsory junior secondary school education. Focused on agriculture-science-education integration and development of rural vocational and technical education, all prefectures and cities established rural education reform experimental counties. Higher education was upgraded after undergoing reorganization, and new headway was made in adult education. Conditions for running schools continued to improve. From 1987 to 1992, a total of 1.857 billion yuan was invested in transforming the dangerous primary and secondary school buildings, and a total of 17.17 million square meters of school buildings were repaired, rebuilt, and newly built, basically eliminating all the dangerous primary and secondary school buildings. Institutions of higher learning had new buildings, laboratories, and libraries. Attention was given to the residential houses of the teaching staff. Construction of living quarters for teaching staff was stepped up and the working and living conditions of teachers were further improved.

The government at all levels persisted in grasping material civilization on the one hand and spiritual civilization on the other. Focused on economic construction, the province paid attention to the training of socialist new people with lofty ideals, moral integrity, better education, and a sense of discipline. Various forms of rich and fruitful ideological, political, and vocational education were carried out among the broad ranks of cadres and the masses, which improved their ideological

and moral values and gave rise to outstanding figures, such as Xiong Yunqing and Yan Junsheng. Various forms of activities of building spiritual civilization activities were carried out. A total of 496 units were selected as civilized units and four cities were named "Double-Support Model Cities" by the state and province.

The press, radio, television, and publication departments did a great deal of work for the sake of publicizing reform, opening up, and building of material and spiritual civilization; enhancing Jiangxi's fame; and increasing the confidence of the people of Jiangxi. The literary and art workers made efforts to turn out more and better spiritual products to serve reform, opening up, and economic construction. Jiangxi's art programs won a gold medal at the international contest for the first time. The province also won acclaim at home and abroad for its acrobatics, Jiangxi opera, and display of cultural relics and chinaware. Development of mass culture was strengthened at the basic levels. Good progress was registered in family planning work, and the natural growth rate of population dropped annually, bringing Jiangxi's position in the country from 27th in 1990 to 21st in 1991. The health departments implemented the policy of putting prevention first; strengthened prevention and health protection work; took measures to prevent infectious, vocational, and epidemic diseases; and achieved marked results in preventing snail fever, offering treatment to more than 23,000 patients whose illness reached an advanced stage. The three-tier medical and prevention network was consolidated and improved in the rural areas, and Chinese and Western medicine developed in coordination. Medical and health conditions further improved. Jiangxi newly built a number of special hospitals and wards, including the Province Dental Hospital, health protection ward for cadres, burns ward, tuberculosis prevention center, and in-patient department of the Second Hospital and imported advanced medical equipment, including the nuclear magnetic resonance detector. The province had 3,750 new hospital beds over the past five years. The level of sports and physical culture improved. Over the five years, Jiangxi's athletes won 141 gold medals at international and domestic games. The province held the Eighth Provincial Games and extensively spread mass sport activities.

Jiangxi vigorously strengthened the building of socialist democracy and legal systems, consciously accepted the lawful supervision of the people's congress and democratic supervision of the Chinese People's Political Consultative Conference [CPPCC], and established and improved the democratic policy decisionmaking system. The province vigorously and prudently carried out local legislation, particularly economic legislation work; strengthened inspection and supervision over law enforcement; and satisfactorily fulfilled the task of popularizing law. Further attention was given to education in national defense among the people, and new achievements were attained in militia and reserve duty. The struggles of sternly attacking crime, improving overall

social order, and eliminating the "six vices" were waged across the province. The province handled a number of major and important cases and strengthened security and prevention work, resulting in political and social stability in urban and rural areas.

Over the past five years, the government at all levels ran a clean administration, waged struggle against corruption, handled a number of law and discipline violation cases, and earnestly adopted measures to check the "three irregularities."

New progress was made in auditing, statistics, ports, meteorological, seismic, environmental, defense, archives, external affairs, Overseas Chinese, nationality, religious, veteran, disabled, and local chronicles work.

Incomes of urban and rural inhabitants increased sharply, and the environment and quality of the people's living standards continued to improve.

The average wage of Jiangxi's staff and workers in 1992 was 2,104 yuan, an increase of 77.7 percent over 1987. The average income of urban residents for living expenses was 1,418 yuan, up 94.7 percent, while peasants' average net income was 768 yuan, up 79 percent. Savings of the inhabitants increased by a wide margin. The 1992 year-end balance of urban and rural savings deposits totaled 23.78 billion yuan, an increase of 267 percent over 1987, and per capita savings rose from 178 yuan to 606 yuan. Housing conditions of the inhabitants continued to improve. Urban inhabitants had an average of 8.57 square meters of living space at the end of 1991, while the rural inhabitants had 20.08 square meters. Urban employment increased and new jobs were offered to 1.046 million people. Urban and rural public undertakings developed rapidly and transportation improved. Thanks to the completion of the gas projects in Nanchang, Pingxiang, and Xinyu, the number of gas consumers increased. Most of the inhabitants could drink clean water. Cultural and amusement facilities were further improved. The provincial radio and television center, stadium, and water sports center went into operation. The people's cultural lives were increasingly enriched.

Fellow delegates, the past five years were extraordinary. In light of the plan of the CPC Central Committee and State Council, we used a period of time to improve the economic environment, rectify the economic order, and check inflation. During this period, we accelerated the pace of reform and opening up, and promoted economic growth and social progress. The achievements of the five years were the fruits of implementation of the party's basic line, the crystal of ideological emancipation, and unity and struggle of the people of the whole province under the correct leadership of the CPC Central Committee, State Council, and provincial party committee. On behalf of the provincial government, I would like to extend my heartfelt thanks to the vigorous support given by the provincial people's congress, provincial CPPCC, People's Liberation Army troops garrisoned in Jiangxi,

and armed police to the work of the provincial government over the past five years.

We should be soberly aware from a review of work over the past five years that there are still many difficulties and problems: First, apart from the deep-rooted "leftist" ideological influence, there is a lack of commodity economic sense and a lack of leaders proficient in commodity economy. Because of limited skills and knowledge of commodity economic development, our ideological understanding, management system, operation means, and leadership are incompatible with the development of a socialist market economy. Second, the progress of readjustment of the industrial structure and product mix is too slow. Power, transportation, communications, and water conservancy still constitute a weak link. Because of their limited scale of production and outdated equipment, most of the industrial enterprises are not competitive. The tertiary industry is still lagging behind, and economic efficiency remains to be further increased. Third, because of clogged commodity circulation, the difficulties in selling farm produce are still prominent. The province had a stock of 20 billion jin of grain. The tasks of industrial and commercial departments of promoting sales are arduous. Fourth, there are still serious problems in mustering funds for purchasing farm and sideline produce and in circulating capital for industry, funds for three kinds of enterprises, and funds for key construction projects and technological transformation. Fifth, great efforts are required to find a solution to the problems of mass concern, which include social security and the peasants' burden. Sixth, the government organs are to further improve their work style and increase their efficiency. These difficulties and problems merit great attention. Forceful measures must be adopted to overcome and resolve them in earnest.

II

Main Tasks in Next Five Years

The next five years will be very crucial for attaining the second strategic objective. We should comprehensively implement the spirit of the 14th party congress, unwaveringly follow the party's basic line with Comrade Deng Xiaoping's theory of building Chinese-style socialism as the guide, further emancipate the mind and seek truth from facts in accordance with the requirement of establishing a socialist market economic system, accelerate the pace of reform and opening up, and concentrate energy to boost economic construction. Focused on the central task of economic construction, it is also necessary to strengthen the building of the socialist democratic legal system and spiritual civilization, and promote comprehensive social progress.

In light of the requirements of keeping Jiangxi's economic growth above the national average, shifting the position of Jiangxi's major economic targets ahead of other provinces, and attaining the second strategic objective four years ahead of schedule, the main tasks for Jiangxi's economic and social development in the next

five years include: The GNP should increase at an annual rate of 9-10 percent, of which the primary industry's should increase 4-5 percent; the secondary industry's, 13-16 percent; and the tertiary industry's, 14-16 percent. Economic efficiency of all trades and professions should increase remarkably, and we should strive for a new level in economic growth. The GNP for 1993 should total 62 billion yuan or a rise of 10 percent over the previous year, striving for a 12 percent increase; total industrial and agricultural output value should reach 106 billion yuan, striving for 110 billion yuan; of this, agricultural output value should increase by 5 percent, striving for 7 percent; industrial output value should grow 15 percent, striving for 18 percent; tertiary industrial output value should increase 13 percent, striving for 15 percent or higher; volume of retail sales should amount to 25.7 billion yuan, up 12 percent; foreign trade, \$850 billion, striving for \$1 billion, up 29.2 percent; revenue should top 5.6 billion yuan, up 12 percent; peasants' average net income, 838 yuan, up 70 yuan; and natural population growth should drop by 0.5 from the previous year to one per 1000.

1. Focusing on Developing Socialist Market Economy, Accelerate Pace of Reform and Opening Up

First, all kinds of reform should be comprehensively promoted with a change effected in enterprise operation mechanism as the central link.

We should speed up the nurturing of the market and push enterprises to the market. It is necessary to earnestly implement the "Regulations for State Enterprises to Change Operation Mechanism," bring the relations of property rights into better balance, separate government administration from enterprise management, and delegate decisionmaking powers to enterprises so that they can genuinely become legal entities and market competitors who carry out independent operations, assume sole responsibility for their profits and losses, seek development, restrain themselves, and undertake the responsibility of increasing the value of state assets. This year, enterprises should operate in light of the aforementioned regulations. While improving the contract responsibility system and implementing the system which requires payment of tax plus a percentage of profits to the state, the number of enterprises undergoing the joint-stock experiment should be increased to 100. With the approval of the state, we should strive to list the stock of some joint-stock enterprises at other localities. The number of enterprises undergoing the experiment of drawing up the relevant policies for Sino-foreign joint venture should increase to 200. The all-personnel assets operation responsibility system should be implemented in the second round of the contract system. We should accelerate the structural readjustment of enterprise organizations and set up a number of new enterprise groups. Small state enterprises may be gradually transferred from lease and auction to operation by the collectives or individuals. In accordance with the "Regulations," the government at all levels should delegate the 14 kinds of operation and management powers to enterprises. The

practice of assigning employment quotas to enterprises should be abolished, and enterprises should be allowed to flexibly determine the time, conditions, method, and quantity of recruitment in light of the actual reality. On the premise of keeping the increase in total payroll under that of enterprise economic efficiency and the growth in workers' average wages under that of labor productivity, enterprises should be allowed to independently determine the wage level and distribution method. In light of the needs of actual work, enterprises should be allowed to establish effective special technical titles and independently assess and determine remuneration. When the government assigns mandatory plans to enterprises in the future, it should correspondingly offer the conditions for fulfilling the plans. Otherwise, enterprises have the right to reject enforcement. It is necessary to continue to implement the state's regulations on appointing and removing intermediate enterprise managerial personnel. If opinions vary, the factory director (manager) has the final say. The bounds between cadres and workers should be removed, and outstanding workers should be selected from within enterprises and be promoted to the positions of managerial personnel and technicians. Factory directors and secretaries should strengthen ideological and political work. Enterprises should do internal reform well on their own initiative, effect a change of mechanism as soon as possible, and consciously move toward the market. On the premise of upholding public ownership, it is necessary to give a free hand to the nonpublic sectors and accelerate the growth of the collective, private, and three kinds of foreign-funded enterprises in urban and rural areas.

Vigorous efforts should be made to nurture the market system, the market for essential production factors in particular, and to improve and perfect the market for consumer goods and means of production. It is necessary to step up the building of the financial market, establish a financial accommodation mechanism and relevant organs for capital distribution in the market, invigorate the rural credit cooperatives, vigorously develop urban credit cooperatives, explore the formation of nongovernmental banks and financial companies, and strive to set up one or two foreign-funded or Sino-foreign joint banks along the Nanchang-Jiujiang industrial corridor. We should speed up the establishment of the market for the transfer of enterprise property rights at all levels and promote the rational flow of reserve assets; develop the markets for labor, qualified personnel, technology, and information; and steadily expand the real estate market. It is necessary to expedite the pace of the reform of the state-cooperative commercial wholesale enterprises and grain, foreign trade, and material supply enterprises. We should gradually set up large wholesale markets for farm and sideline produce, rolled steel, nonferrous metals, coal, and timber as well as a futures market, and establish a unified, open, and competitive market system as quickly as possible.

It is necessary to speed up price reform, lift the restrictions on prices and bring about a proper balance, and

establish a price mechanism for the market to determine prices. We should effect a change in the prices of the means of production from "double" to a "single track"; comprehensively relax the restrictions on the prices of grain, cotton, and other farm and sideline produce as well as most of the manufactured goods; and allow the market to determine the prices in light of the quality. In the tertiary industry, apart from public undertakings and a small number of important service charges, restrictions on the prices of labor and other items should be lifted as much as possible. A price supervision and service system should be set up.

It is necessary to consolidate and develop the achievements attained in housing, medical care, and social insurance reforms and accelerate the reforms of employment, insurance for the elderly, and comprehensive housing systems.

The practical effects and level of regional reform should be upgraded. In light of the requirements of a socialist market economic system, new experiments should be conducted and practical results attained in the reform of the southern Jiangxi experimental zone, the reform of extending the decisionmaking powers of 18 counties (districts), the reform of industrializing agriculture in Yichun, and the comprehensive structural reform and regional economic reform in Zhangshu.

We should swiftly change the functions of the government, simplify administration, and delegate powers. In the years ahead, the government's economic activities should be focused on overall planning, policy control, information guidance, coordination, offering services, and inspection and supervision. It is necessary to further reform planning, investment, finance, banking, and the management system of a number of special departments; strengthen auditing and economic supervision; and enhance and improve macrocontrol and regulation. While doing well structural reform and the province-designated county level structural reform experiment, all localities should select one or two counties to undergo the experiment.

Second, expand the scope and extent of opening up and boost Jiangxi's economy with an export-oriented economy.

The whole province, from the top to the lower levels, should seize the opportunity with a strong sense of responsibility and urgency and vigorously push opening forward. In the next five years, the growth in Jiangxi's foreign exchange earned from exports should exceed the national average and should be pushed to reach \$2 billion by 1997. We should upgrade the overall level of the use of foreign capital. Jiangxi has signed for the use of \$850 million of foreign capital this year and will strive to increase the figure to \$1 billion and actually draw over \$300 million of foreign capital.

To meet the state's overall plan of opening up the cities along the coast and Chang Jiang, Jiangxi should gradually establish an all-directional structure of opening up.

Nanchang should be built into a multifunctional, high technology open city in the interior which can play the role of a window. We should run well the Nanchang new high technology industrial development zone. Jiujiang should be built into an open and tourist city along the middle reaches of Chang Jiang, which is attractive, has regional advantages, and can play the role of a window. We should speed up the building of the Nanchang-Jiujiang industrial corridor; use foreign capital to build well the eight open development zones approved by the province; vigorously attract high technology, large groups, and major projects; and develop foreign-exchange earning enterprises so that they can become export-oriented, industry-agriculture combined, and urban-rural integrated new industrial zones. Jingdezhen should focus development on porcelain, electromechanics, building materials, and other foreign-exchange industries; gradually turn itself into a city developing an export-oriented economy; and join Nanchang and Jiujiang to establish the Nanchang-Jiujiang-Jingdezhen open triangle. We should promote opening of the cities along the Zhejiang-Jiangxi Railway, which will boost the development of the cities and prefectures including Shangrao, Yintan, Fuzhou, Yichun, Xinyu, and Pingxiang. Seizing upon the opportunity of the Beijing-Kowloon Railway construction, we should speed up the building of Jian and Ganzhou Prefecture. All prefectures and cities should open themselves wider to the outside world and gradually increase the proportion of their export-oriented economies.

Use of foreign capital and import of advanced technology should continue to be the focus of opening up. While using foreign capital and importing advanced equipment on a large scale, we should attach importance to the import of patent, trademark, techniques, and management. While making use of more direct foreign investment and loans granted by international financial organizations and foreign banks, we should strive to make use of international capital investment in securities. While continuously making use of investment by Hong Kong, Macao, and Taiwan compatriots and Overseas Chinese, we should open up more channels for use of foreign capital. Preparations should be made for the trade talks to be held in Hong Kong and Singapore this year. It is necessary to make theoretical representations and select more high technology, high additional value, foreign exchange earning, efficient and large scale, and low consumption projects. We should increase the proportion of foreign capital in single projects and encourage exclusive foreign investment and operation. Attention should be given to integrating foreign capital with transformation of the existing enterprises and to adopt the forms of grafting and the one factory, two systems to improve the technical qualities and management level of enterprises. The development zones should do feasibility research well and avoid rushing headlong into mass action. We should make strenuous efforts to improve the investment environment, further implement the preferential policies for attracting foreign businessmen, and simplify the application and examination

procedures for use of foreign investment. We should create conditions for establishing a bonded zone in Jiujiang and setting up ports in Ganzhou, Jingdezhen, Yintan, and Pingxiang.

We should continue to open up the international market. It is necessary to offer support to productive enterprises which have conditions to apply for decisionmaking powers to deal with exports and to implement and improve the agency system. On the premise of optimizing the export commodity structure and improving quality, it is necessary to increase foreign exchange earning through exports and contract projects, and carry out various forms of labor cooperation, develop border trade and nationality trade, and bring about the "big trade" situation.

II [as published]

Raise the Quality of Agriculture, Optimize Industrial Structure, Vigorously Develop Tertiary Industry, Strengthen the Overall Quality of the National Economy

First, with the aim of increasing peasants' income and orienting toward the market, vigorously adjust agricultural structure, and develop with selective focus "three highs" agriculture, foreign exchange-earnings agriculture, and township and town enterprises.

Agriculture is the foundation for the national economy. It is necessary to put agriculture on top of all economic tasks, genuinely protect peasants' interests, and mobilize peasants' production enthusiasm to enable sustained and stable agricultural and rural economic development. By 1997, gross agricultural output value must hit 39.5 billion yuan, up 24.6 percent from 1992; while township and town enterprises must strive to achieve 100 billion yuan, an increase of 2.3 times.

Continue to attach importance to grain production. This year our province is planning to produce 30 billion jin of grains, though in practical work we must strive to exceed this figure. Forty percent of lands must be sown with high-quality rice. We must actively develop dry grains such as barley, wheat, maize and soybeans; expand the planting of cash crops such as tobacco leaves, cotton, and sugar cane; do a good job in special-breed aquatic products and breeding industries enjoying locational advantage; increase the export of fresh and live aquatic products; achieve breakthroughs again in livestock, poultry breeding, and aquatic development; continue to grasp well tree planting and afforestation, keep good control over the quality, and rationally arrange and adjust tree mix. We will plant trees on 3.8 million mu in 1993 and basically achieve the objective of eliminating barren mountains; vigorously develop high-quality, high-yield silkworms; grasp well the orchard work of high-quality fruits, such as navel tangerines and monkey peaches; and develop edible fungi.

Grasp and organize the implementation of the fifth battle of the war of comprehensive agricultural development, switch the focus of development from external factors to internal quality, and raise the standards of intensive agricultural operations and comprehensive productive capacity; untiringly maintain the effort of organizing the infrastructural construction of agricultural water conservancy; and, by 1997, there are to be 10 million mu of newly increased and improved irrigation areas. Resolutely implement various policies designed to encourage development, genuinely protect the interests of households engaged in the development in special areas, and do a good job in poverty support schemes that rely on development projects. Consolidate and develop achievements in poverty support work and construction of old revolutionary areas; strengthen meteorological work to reduce natural disaster damage.

Continue to uphold the improvement of township and town enterprises amid development and development amid improvement. Leaders at all levels must take the development of township and town enterprises as a strategic task and include it in their important agenda. Prefectures, (cities), and counties must direct the focus of their work to speeding up the development of township and town enterprises. We must implement central and province's preferential policies designed to support township and town enterprises, adopt effective measures, invent methods to increase input, attract talent, pay attention to science and technology, initiate a number of backbone enterprises and foreign-invested enterprises, develop shareholding cooperative enterprises run by individual or joint households, and increase the proportion of tertiary industry among township and town enterprises. The gross output value of township and town enterprises throughout the province this year is slated to increase 40 percent; but we must strive to top 50 percent. About 50 percent of increases in peasants' net per-capita income must come from township and town enterprises. We must increase the speed of development in state-owned land reclamation enterprises, the output of which this year must grow over 30 percent.

Actively guide peasants into the market and allow them to independently adjust production structures according to market needs. All counties and administratively organic towns [jian zhi zhen 1696 0455 0966] must open themselves to peasants, encourage them to go into towns to participate in industrial and commercial ventures, and vigorously organize labor service exports. We must further simplify the approval procedures for setting up administratively organic towns, and speed up province-wide the process of the integration of rural and urban areas. To meet the peasants' demand for orienting toward the market and developing production, we must vigorously boost the construction of a multilayered and multiform socialized service system.

We must further strengthen leadership over agriculture and rural work, deepen rural reform, increase through various channels agricultural input, and do a good job in

the supervision and management of peasants' levies and corvée services with a view to genuinely reduce their burdens.

Second, on the basis of quality improvement, structural adjustment, and technological progress, concentrate all our efforts on full development of industries and products enjoying advantages, and promote the industry to improve in scale, standards, and efficiency.

Based on the existing foundation, support with selective focus a number of trades enjoying an advantage in order to turn them into pillar industries playing a key role in economic development. Machinery and electrical, food, metal, and building material industries have all become pillar industries in our province. They must expand their scale, raise efficiency, develop new varieties, meet market needs, raise product quality, and increase competitiveness. Efforts should be directed to the goals that by 1997, the industrial output value for machinery and electric industry will be 27 billion yuan, 20 billion yuan for food industry, and 16 billion yuan for metal and building material industry; and the industrial output value of the above three industries should account for some 40 percent of the province's gross industrial output value. In recent years our province's silk industry has achieved some foundation; the pharmaceutical industry has acquired relatively strong productive capacity; and the ceramic industry has undergone new development, for which there must be selective support efforts in order to achieve faster development and higher efficiency. Local sectors should pursue well structural adjustment according to their own local conditions.

We must combine the development of new products with the increase of high-quality products. The 20 serial package development projects as part of the intensive battle effort at industrial adjustment and improvement should be implemented as soon as possible in order that superior products may come out. Sectors in local areas should select according to products' market share, technological sophistication, and economy of scale, with more competitive products having greater prospects, and concentrate their efforts to upgrade these products in scale, approved quantities, grades, and efficiency.

Industrial development should be focused on technological progress. The key points are importing new high technology, economizing energy and cutting depreciation, raising products' quality and levels, developing under-supplied goods, and developing brand name, superior, and new products. In particular, electronic, machinery, textile, chemical, new types of building material, ceramic, and pharmaceutical industries must transform themselves according to international standards. Budgetary manufacturing enterprises should have conducted technological renovation on 80 percent of their key installations and handicrafts by 1997; grasped genuinely key technological renovation projects that are underway in order to meet production and work targets; increases the speed of the renovation of imported technology for Jiangling automobiles; tried to achieve as quickly as

possible a production scale of 120,000 engines and 100,000 fully assembled automobiles; and made the province one of the country's light vehicle production bases. We must also increase the speed of the development of Changhe automobiles and vehicles for agricultural purposes. Localities and concerned departments should seriously organize studies for projects and their selection.

We should continue to vigorously grasp the work of raising economic efficiency. Realized profits and taxes from budgetary manufacturing sectors throughout the province this year are to increase by 15 percent from last year; product backlogs to be reduced by 7.7 percent; the amount of loss cut by 20 percent; the number of enterprises operating at a loss to be cut by 5 percentage points; and steady quality improvement rate for major products to be raised by 85 percent. Products and enterprises turning out products with inferior quality and high prices, the production of which does not match sales, serious backlogs, and with no hope of reversing losses should be limited in number, shut, or closed down where such actions are called for. We will launch extensive production-boosting and economizing drives, use every possible means to economize energy and reduce depreciation, and lower the overall energy reduction rate to the national average level. We must further strengthen enterprise management; comprehensively rectify the order in production; maintain tight quality control; actively ferret out and deal with fake and inferior products; boost sales promotion work and achieve high production with quick turnovers; firmly curb unnecessary inspections, appraisals, and evaluations of firms; resolutely stop all forms of apportionments so as to reduce firms' burdens; strengthen production management; rationally arrange coal and power transport; and do a good job in production safety.

Third, mobilize the incentive of all quarters and deploy the entire force of society to speed up the development of tertiary industry.

A prosperous and developed tertiary industry is an important mark for a modernized economy. This year we will strive to raise the proportion of the province's tertiary industrial growth value to 29 percent of the province's gross domestic product (GDP), and about 36 percent five years later. We will focus on developing those service industries that can effectively promote the growth of the market, require only small investment, and generate good returns and a good deal of employment; develop pre-, parallel- and post-agricultural production service industries, new technological progress-related industries, and infrastructural industries affecting the entire pattern and capable of setting the pace.

We shall vigorously open up markets and expand sales; continue to give play to the central role of state-run and cooperative commercial ventures and material supply enterprises, strengthen the building of commercial networks and the new Jiangxi Mall; and activate the rural-urban commodity exchange and that between localities

to ensure market supply. At present we must pay particular attention to opening up rural markets, deregulate farm product operations, handle well tasks that enable industrial products to find their way to rural areas, and ban strictly arbitrarily setting up barriers or checkpoints. All firms in the circulation realms should work to increase the rate of commodity circulation, reduce circulation costs and inventory overstocking, and raise sales profit rates; vigorously grasp the work of reversing losses and increasing revenue in state-run and cooperative commercial ventures; with deregulation in grain procurement and purchase, grain departments should vigorously develop various operation modes, improve service manners, must not incur new debts on their accounts for reasons of losses, and must eliminate accumulated debts, strengthen lateral combination and economic and technological cooperation; handle well price management and supervision; and keep the rate of increases in this year's general retail price index at 7 percent.

We must actively develop the financial industry, strictly enforce state credit policies, adjust credit structures, vigorously organize bank deposits, increase credit injections, better utilize capital, increase the speed of capital circulation, and raise capital utilization efficiency. We must increase comprehensive property and real estate developments and the commercialization of houses and the progress in urbanization. In Nanchang, Jiujiang, Ganzhou, and other areas we shall establish property and real estate development companies with foreign participation and develop a property industry featuring foreign capital, Sino-foreign joint ventures, and cooperation; further develop public utilities, public enquiries, information services, and various technological services; continue to support food and catering industries that make the lives of the masses easier, as well as popular hair salons, public bath houses, and repair and domestic services.

We must actively develop tourism, focusing on the development and the introduction of funds into tourist areas. While increasing the speed of the construction of tourist areas in Lushan, Jinggangshan, and other places, we must further develop tourist areas in Sanqingshan, Longhushan, Poyanghu, and other places; work for the approval for the pilot tourist and holiday resort project in Lushan; and set up in cities with the right conditions one or two night life streets providing tourist and commercial services and cultural activities and entertainment.

Guided by state policies, we shall smash the boundaries between departments, trades, districts, and types of ownership; encourage individual households, private economy, and peasants to develop tertiary industry; encourage tertiary industry to take over manufacturing industries which have been closed down, suspended, merged, or transferred; encourage administrative staff to disengage themselves from their organs to engage themselves in tertiary industry; and encourage redundant staff

from manufacturing enterprises and especially encourage professional and technical staff to work in tertiary industry.

Governments at all levels must strengthen leadership over financial and taxation work in order to generate money properly, levy charges properly, and spend money with plans; actively develop the economy and cultivate sources of earnings, increase counties' financial powers, and handle well the financial construction of townships and towns; further raise the awareness of paying taxes in accordance with law; uphold handling taxation according to law and strengthening levying and administration of taxes; strengthen nonbudgetary fund management; keep expenditure within the limits of income in order to achieve expenditure-income equilibrium; and pay attention to and strengthen management in state-owned assets.

III

In Every Possible Way Increase Input, Increase the Pace of Infrastructural Construction and Technological Renovation, and Boost the Reserve Strength for Economic Development

The next five years will see our province's largest increase in investment in fixed capital. Gross investment in fixed capital for the whole society will reach upward of 120 billion yuan, 2.6 times the gross fixed-capital investment of the last five years. Efforts in the next five years will achieve a bigger change in our province's infrastructural construction and enterprises.

Regarding energy, focus will be directed to speeding up electricity development. The average annual increase in new power installation in the next five years will be 400,000 kw. The aggregate increase in new power installation by 1997 will top 20 million kw. We shall pursue well the third-phase construction of Jiujiang Power Plant and the expansion of Xinyu, Jingdezhen, and Pingxiang Power Plants; pursue vigorously and well the early phase tasks for Nanchangxin, Fuzhou, Jian, and Ganzhou Power Plants; and start the construction of the large-scale 1.2 million kw Fengcheng thermal power plant. After the completion of Wanan Power Plant, we shall start the construction of the Taihe Power Plant; and increase efforts for the construction of a number of medium-sized hydropower plants in Longtan, Dongjin, and other places and the pursuit of electrification for the second batch counties in rural areas. We shall pursue well the early phase preparation for the Pengze Nuclear Power Plant in a vigorous bid for an early start in construction. We shall grasp well the construction of supporting power transmission and transformation projects, increase the density of power grids, and expand the areas covered by them. Meanwhile, we will increase the speed of coal, petroleum, and natural gas prospecting and development.

On the transport front, we shall build three high-grade highways, that is, the second section of Changjiu

Highway and Jiujiang and Nanjing Highways. The construction of the second section of Changjiu vehicle-only highway will start this year and will be completed in 1995. By 1997, there will be 3,000 km of grade two highway, realizing the objective of every county being reached by tarmac roads. We shall build the Nanchang and Hukou Bridges, with the former to be completed and opened for traffic within this year. The construction of the Hukou Bridge will begin in the second half of this year and will be completed in 1996. There will be increased efforts at the construction, reconstruction, and expansion of the four big airports, that is, the construction of the new Nanchang Airport, and the reconstruction of Jiujiang, Ganzhou, and Jingdezhen Airports. The new Nanchang Airport can handle large airbuses and will have advanced international telecommunications and aviation equipment. We shall complete the construction of the entire Zhejiang-Jiangxi and Nanxun railway double-track railway lines and Nanchang Jiujiang Railway Stations. The entire Xiangji Railway line will open to public traffic this year. In 1995 we will have completed the construction of the Jiangxi section of Beijing-Jiujiang Railway line. We shall increase efforts at the expansion of the Jiujiang foreign-trade port and the dredging and treatment of the Xinjiang Watercourse.

Regarding telecommunications, we will basically achieve by 1995 program-controlled switch and digitalized transmission in all counties and places above the county level throughout the province. By 1997, there will be 2.2 million relay-switches for urban and rural public telephones; 1.45 million telephones; 65,000 circuit ends for long-distance automatic relay-switches; mobile phones will be able to cover all the province's prefectures, cities, main highways, places along all the railways, and some key counties. We will continue to improve the means of power transmission and transformation; lay 2,000 km of fiber optic trunk lines in the next five years; commence the operation of 3,000 km of digitalized microwave trunk lines; and continue to maintain the relatively advanced status of our province's post and telecommunications in the country.

Regarding raw materials, the key projects will be the Jiujiang Phosphorous Sulphur Base, the Ruichang Cement Plant, the Jian and Ganzhou Paper Pulp Factory, the construction of the large-scale Jiujiang chemical fertilizer project, Zhangshu's project for vacuum processing 300,000 tonnes of salt, the state-assisted expansion of the Guixi Smelting Plant and Dexing Copper Mine, the development of the Chengmenshan Copper Mine in a bid to push as quickly as possible the mine to an annual production capacity of 200,000 tonnes of crude copper. The third-phase construction of the Dexing Copper Mine, which will give the mine an additional 30,000 tonnes in production capacity, will be completed and put into production this year. This, plus the daily 100,000-tonne copper production capacity achieved by the phase one and two construction, will make the Dexing Copper Mine Asia's largest copper mine.

Regarding water conservancy and agricultural development, we will focus on Jihu comprehensive agricultural development, the agricultural development in central and southern Jiangxi, the second-phase red soil conservation project, speeding up the construction of key water conservancy projects such as the treatment of the Boyang Hu, the Jiujiang-Changjiang and Ganfu embankments, Nanche and Douyan Reservoirs, and so on; and build a number of new commercial agriculture and sideline product bases and foreign exchange-earning export bases.

We will further raise the proportion of technological renovation inputs in the province's total fixed-capital investment. In the next five years, the province's aggregate technological renovation inputs will reach 20 billion yuan. We arrange for the beginning of 4,000 new industrial technological renovation items, 500 of them at over 5 million yuan; and promote technological upgrading in enterprises and new generations of equipment and products. The focuses for 1993 will be on the production lines of Jiangling automobile diesel engines and Huayi refrigerators and compressors, and 35 renovation projects such as the renovation of Jingdezhen ceramic products, the newspaper at the Jiangxi paper-making factory, the bang suan [2761 6808] of the Jiangxi Pharmaceuticals, the production line for the new type of installer-machine at the Yichun Engineering and Machinery Plant, and the medium-plates [zhong ban 0022 2647] of the Xinyu Steel Main Factory.

We will well pursue argument and testimony sessions on project viability and refrain from low-standard and repetitive construction projects; and increase reserves for projects and broaden channels of financing. We can, one, lobby for more special projects listed on state plans; and, two, actively absorb more loans from international financial organizations or foreign government. We must have the boldness to accept foreign commercial loans and encourage and guide foreign investment in infrastructural construction. Three, we should implement well and fully various policies, and perfect the building up of key reserved funds to strengthen power for self-development. Four, in the financial area, we should suitably increase investment in infrastructures while ensuring financial supply for various necessary expenditures. Five, we may issue bonds or institute shares issues to finance a number of selected construction projects.

Society-wide fixed-capital investment of the entire province in 1993 will be 15 billion yuan, up 25 percent from last year. Of this figure, investment in capital construction for whole-people ownership is up 45 percent, which will be spent mainly on energy, transportation, telecommunications, farmland water conservancy, key raw materials, science and technology, education, and so on. We will arrange for 33 key infrastructural projects and 40 key technological renovation projects.

Localities and departments must strengthen leadership over key projects, pay attention to overall situations, and

create conditions for speeding up key projects. All construction projects must use well capital and in areas where the capital is intended. They must take great pains to organize the construction of ongoing projects, stop wastage, shorten construction time, and raise investment returns. For large and medium-scale infrastructural projects, the province will pursue a responsibility system where the project person-in-charge will be held accountable for the entire process from project planning, financing, design, implementation, production operations, loan repayment, and so on, and shoulder investment risks.

IV

Face the Main Battle Front of Economic Construction, and Speed Up Scientific and Technological Progress and Educational Development

Science and technology is the primary productive force. We must promote scientific and technological progress by developing new and high technological industries and reorganizing and transforming traditional industries and turn science and technology into the main support for economic development. In invigorating agriculture with science and technology, we must actively push for diversification variety and quality improvement in agricultural products; identify and develop high-value yielding crops, livestock, poultry, and aquatic products; and support the development of rural regional pillar industries and township and town enterprises. Invigorating enterprises with science and technology must revolve around the adjustment of production structure and product mix and technological renovation; and, centering around importation, digestion, and absorption, we must vigorously extend scientific and technological achievements, and tackle well with selective focus key problems in scientific and technological pursuits such as military technological transfers to civilian employment, the development of new materials, the integration of electric with machinery production, new electronic products, energy-economizing products, and so on. We will continue the "Spark Plan," grasp well the development of new products, continue to deepen reform in the scientific and technological structure, build and perfect institutions that effectively combine science and technology with the economy, reorganize scientific research institutes into different streams and guide these institutes toward integrated development of scientific research, production, and operations. Most of the developmental scientific research will be turned into entities of research-industry-trade integration, and part of them will be industrial technological development centers or corporate scientific research institutes. For scientific research institutes for public utilities or those of comprehensive type and agricultural scientific research institutes, we may pursue the "dual- or multisystem under the same institute" system as a way to establish services entities. We should encourage the establishment of shareholding enterprises with shareholders boasting of scientific and technological achievements; encourage and develop people-run scientific research firms; attract

foreign capital to establish science and technology organizations; advocate and support scientific and technological staff to undertake corporate contracts and leasing operations from firms to contract, sign up to manage, and rent rural township and town enterprises. Scientific and technological staff involved in agricultural technological contracts should, in dividing their contract income with the organs they are affiliated with, get at least 50 percent of it. When a technological developmental project starts actual production, science and technology staff directly involved in the project are entitled, as a reward, to 5-10 percent of the newly increased after-tax profits of the beneficiaries of the project for the following three years. The reward will not be counted as part of their total bonus.

We should accord education the strategic status that gives it development precedence. With economic construction as the center, we will increase the speed of educational development and the pace of reforms, and train more talent. Schools of all types should genuinely implement the party's educational policies; vigorously develop basic education; consolidate and develop the achievements of compulsory universal elementary education; expedite the implementation of compulsory primary and intermediate education; achieve by 2000 the target of installing throughout the province nine-year universal basic compulsory education; actively develop vocational education; strengthen pre-vocational training and job-transfer training for workers waiting for jobs; further strengthen county-level central administration of rural education; and concentrate our energy on establishing a key university and a number of key professions and academic subjects. Institutes of higher education must face society and run their school independently; expand the proportions of self-sponsored and firm-entrusted-and-paid students in enrollment, while ensuring that state-assigned tasks are completed; further plan and coordinate the setting up of various types of adult high schools and special vocational schools, arrange them rationally to raise efficiency; encourage self-study; attach importance to preschool education and the elimination of illiteracy; speed up practical technical training for young peasants; further strengthen the building of teacher contingents and raise teachers' political and professional qualities; speed up housing developments for teachers in an active effort to solve housing difficulties in three years; encourage society to open schools on raised funds and the establishment of people-run schools; further improve teaching conditions; increase educational input to ensure the "two growths" in educational expenditure; and strengthen field study in education, production, and the construction of social practice bases.

Nationality, religious, foreign affairs, Overseas Chinese, archive, and seismological work must develop in conjunction with various economic and social affairs.

We will work hard to create a good environment that helps intellectuals to use their talents; adopt measures to improve their working and living conditions; train,

attract, and employ useful talents; cite and reward handsomely intellectuals with distinguished contributions; and set up foundations for young scientific research staff to finance young scientific and technological backbone elements to launch their work. This year, the provincial financial authorities will raise an amount of funds for expanding the scope of special allowances for intellectuals with distinguished contributions; pursue preferential policies to attract various kinds of management talent for various operations; and make a point of training entrepreneurs. Plant and factory managers with workers' support and distinguished contributions are exempt from retirement age restrictions during the terms of plants' contracts, and can continue to work at their posts. Working age restrictions for noted experts working as presidents, principals, or directors in universities, research institutes, and so on can be relaxed on approval.

V

Continue To Raise People's Living Standards, Improve Living Environment, Place Strict Controls on Excessive Population Growth, and Raise Population's Quality

As production develops, urban and rural residents' net income and living quality must show considerable improvement. We should strive to raise the income for the living expenditure of urban residents to 2,500 yuan, per-capita net peasants' income to 1,200 yuan, and gradually improve the living standards of retirees; continue to create more jobs, arrange jobs for 700,000 urban people, and keep the job-waiting rate to under 3 percent.

We will strengthen medical services, public hygiene, and public health in urban and rural areas. By 1997, there should be in place throughout the province regional medical and disease-prevention public health networks based on an elementary level of hygiene, focusing on prevention, combining prevention and treatment, integrating Chinese and Western medicines, uniting urban and rural areas, and having comprehensive functions. Both urban and rural residents will be able to obtain basic medical and public health services; continue to further strengthen comprehensive prevention and treatment of rural medical and public health services and snail fever; and 92 percent of rural populations are to benefit from rural water works redevelopment.

We will continue to pursue the "food basket" projects in urban, industrial, and mining areas; expand planting areas to increase supplies; and improve breed mix to meet residents' demand for continually raising living standards.

We will speed up the construction of urban public utilities and do our best to solve some of the intractable problems in the living of urban and rural residents; continue to pursue well the construction of roads, transportation, water supplies, water drainage, electricity, telecommunications, gas supply, and so on, and completely solve the tap water supply problem for administratively organic towns and electricity and lighting problems for peasants in remote mountainous regions in five

years' time. We will speed up urban and rural resident housing developments; by 1997 per-capita housing space for urban residents will exceed 9 square meters, and the proportion of concrete and steel houses and brick and wood houses will account for 75 percent of rural houses. We will further grasp construction of old revolutionary areas and poverty support work, and do a good job in developmental poverty support work. We will gradually build a rural grass-root social security system featuring mainly retirement homes, welfare workshops, and fund associations; continue to pursue well disaster-relief work; pay attention to strengthening old-age work; care for the handicapped; and pursue well relief and preference work for widows, widowers, orphans, people without families, and households in need of help.

We will uphold grasping economic development with one hand, and population control with another, and ensure that in the next five years natural population growth is kept within the planned rates; uphold that leading party and government cadres personally oversee the tasks, are ultimately responsible for them, continually improve and perfect the target-guided population management responsibility system, and uphold vetoing power over matters of family planning. We will strengthen education in basic national policies; continue to put the focus of family planning on the rural areas and grass roots; and, with a view to implementing family planning policies, aimed mainly at pre-conception management and eliminating pregnancies falling outside of plan, combine family planning with the solution of practical problems in order to turn family planning into a voluntary action of the broad mass of the people.

We will strengthen environmental protection to maintain ecological balance; strengthen awareness of the environment among the whole people; and protect and rationally use lands, mines, forests, water, and other natural resource. We will strictly control the reduction of farmlands, strengthen soil conservation, and treat 10 million mu of lands suffering from soil erosion in five years; reduce environmental pollution; and control the release of three kinds of emissions. New construction projects must perfect environmental protection measures. Existing serious polluting enterprises will be given deadlines to clean up and conform with emission standards. We will launch sustained comprehensive river and lake development and treatment in the hope that, through unremitting efforts, our province's mountains and rivers will stay unpolluted, and the province will enjoy economic development and will be prosperous and peaceful.

VI

Uphold Grasping With Both Hands, With Both of Them Being Tough; Strengthen the Construction of Socialist Spiritual Civilization and the Legal System; and Continue to Pursue Well the Comprehensive Treatment of Social Law and Order to Create a Good Social Environment for Economic Construction and Reform and Opening

The construction of spiritual civilization must revolve closely around economic construction as the center. We

must work actively to raise the ideological, moral, scientific, and cultural qualities of the broad mass of the people; train the new "four haves" people; and provide spiritual power and intellectual support for economic construction and reform and opening up. For the broad mass of cadres, especially among youths and adolescents, we will further strengthen education in the party's basic line, patriotism, collectivism, socialist ideology, and Jingsangshan revolutionary tradition; launch the activity to learn from advanced model figures to enhance national self-dignity, self-confidence, and the spirit of self-strengthening; and set up lofty ideals and solid faith in socialism. We will strengthen national defense education for the whole people and work pertaining to militias and reservists. We will conduct vocational and moral education. All trades and professions must gradually form vocational and moral codes suitable to their own characteristics and remedy unhealthy trade or professional practices. Cities must highlight and grasp well social and public moral education chiefly based on the "citizens' civilized codes" so as to strengthen their awareness of civilized manners and social and public morality.

In rural areas, we will vigorously launch the activities of "stressing spiritual civilization, gaining wealth through competing in science and technology, building civilized villages and towns, aiming for the target of becoming comparatively well-off," popularizing science and technology, smashing feudalistic and superstitious beliefs, and forming a healthy, scientific, and civilized lifestyle. We will further launch massive spiritual civilization activities such as the "three beneficiaries," building civilized towns, units, and households, soldier-civilian joint construction, and police-civilian joint construction in order to push the construction of spiritual civilization through to the grass-root levels. Various path-breaking activities and distinction contests must be guided by practical effects and must become formalized. We will continue to give play to the good tradition of arduous struggle, diligence, and frugality, and encourage the social trends of valuing thriftiness and improvement in social customs. Governments at all levels must give required material support to the construction of spiritual civilization and integrate it into the overall urban and rural construction plan.

We will further strengthen work in theory, art and literature, sports, journalism, publication, broadcasting, and television; make social sciences, art, and literature prosperous; encourage men in art and literature to work to venture into the great practices of modernization and reform and opening up, enhance distinguished national cultures, and create more healthy spiritual products loved by the masses. We will continue to grasp well the construction of cultural facilities, build Jiangxi Theater to make it a domestically advanced cultural and entertainment venue. We will grasp well the protection and rescue of cultural artifacts; strengthen cultural market management, "vice" sweeps and crackdowns on illegal publications; work actively to raise sports and athletic

competition levels, strengthen the building of distinguished sport teams and training of reserve athletes, do a good job in sport and health facilities, and launch extensive mass athletic activities to boost people's physiques.

We will attach great importance to democracy and legal system building, make more of ourselves, accept more voluntarily supervision by the National People's Congress and the CPPCC, continue to strengthen the clean government effort, improve the work style of government organs, and raise work efficiency. Leading organs and cadres at all levels must conscientiously listen to masses' opinions and tap fully the roles of experts and consultative agencies; gradually build a democratic and scientific decisionmaking mechanism; increase efforts at formulating and perfecting administrative regulations and codes for ensuring reform and opening up, strengthening macroscopic economic management, and regulating and standardizing microscopic economic behavior; complete the "second five-year program" of popularizing knowledge of law to boost awareness of democracy and the concept of legal system among the broad mass of cadres and people; uphold abiding by the law and strict enforcement of the law; correct law-breaking acts; strengthen supervision on law enforcement; stop the practices of usurping the law by leaders' instructions, and substituting punishment with fines; strengthen democratic building and enhancing the functions of administrative, law-enforcement, and supervisory organs; pay attention to supervision by media opinion; and gradually perfect supervisory mechanisms.

A sound handling of social law and order is an immediate concern for the broad mass of the people and a great matter for ensuring economic development and social stability. It is necessary to adopt effective measures to change the bad social law and order in some localities. We must rely on a close coordination of special organs and the broad mass of the people to implement various measures for comprehensive treatment of social law and order; resolutely crack down on hostile forces and felonies and economic crimes; wipe away various ugly social phenomena; and create a good social environment for reform and opening up and economic construction.

Fellow deputies!

The next five years is an important and a very valuable time for our province's economic and social development. We must work to put into shape a new economic system, and achieve the second-step strategic goals ahead of schedule to lay a solid foundation for next century's development. The mission is arduous and the duty enormous. Let us, under the guidance of the party Central Committee with Comrade Jiang Zemin as the core and the provincial party committee, conscientiously implement the party's basic line and the spirit of the 14th party congress, further emancipate minds, unify people of the whole province, struggle arduously, and work with the will to make the country strong to win greater

victories for reform and opening up and economic construction. (Note: Some of the figures in the article are forecast figures. The GDPs are calculated on the current year's prices. Industrial and agricultural output value are calculated on 1990 constant prices. All growth rates are calculated on comparable prices.)

Finance Minister Attends Zhejiang Taxation Forum

OW0703221693 Hangzhou ZHEJIANG RIBAO in Chinese 14 Feb 93 p 1

["Provincial Financial and Taxation Work Conference Calls for Deepening Financial and Tax Reform and Making Relentless Efforts To Increase Revenues and Cut Back Expenditures"—ZHEJIANG RIBAO headline]

[Text] A provincial financial and taxation work conference recently concluded in Hangzhou; it called on all local governments in Zhejiang to earnestly carry out this year's budget, deepen financial and tax reform, make relentless efforts to increase revenues and cut back expenses, and strive to reduce financial deficits, thereby helping the province strike a basic balance between revenues and expenditures.

The implementation of Zhejiang's 1992 financial budget was generally good, with revenues overfulfilling the fiscal budget and expenditures basically meeting the needs of economic construction and other fields of endeavor. Nonetheless, a number of problems remain, and they are reflected in the fairly large deficit for the fiscal year, the serious drain on revenues, poor economic efficiency of enterprises, and drastic increases in administrative and public medical care expenses.

In recent years, finance and tax departments have worked hard to support economic construction. They have done tremendous work, adopted effective measures, and achieved notable results in helping state-owned large and medium enterprises invigorate themselves, accelerating their technical transformation and promoting their structural readjustment. It was pointed out at the conference that finance and tax departments—to be guided by the spirit of the 14th CPC National Congress and in keeping with the demand for establishing a socialist market economic structure—should further emancipate minds and update concepts in accelerating the pace of financial and tax reform. They should continue to experiment with the "tax classification system" and the "system which requires payment of taxes plus a percentage of profit to the state, and payment of taxes before loan repayment or any retention of profit." They should also strengthen the management of state-owned assets, pay close attention to tax reform, and spend the limited funds on constructing key projects and infrastructure as well as developing an export-oriented economy. All local governments should step up supervision over tax collection and management; crack down on such lawbreaking acts as evading, refusing to pay, and cheating on taxes; and collect all taxes promptly and in

full. It is necessary to adhere to the principle of keeping expenditures within the limits of income and doing things according to capabilities, ensuring necessary expenditures while energetically cutting back expenses in general.

Finance Minister Liu Zhongli and Vice Governor Chai Songyue spoke at the conference. The vice governor urged party and government departments at various levels to further strengthen the leadership over financial and tax work, and to support financial and tax cadres to uphold the principle and perform duties daringly and according to the law. Meanwhile, financial and tax departments at various levels should also earnestly improve the quality of their rank-and-file staff members in order to push Zhejiang's financial and tax work to a new height.

Southwest Region

Sichuan Executes 21 Criminals in Chongqing

HK0903151393 Chengdu SICHUAN RIBAO in Chinese 25 Feb 93 p 1

[Report by Wang Jichang (3769 4949 2490) and Huang Jibo (7806 4949 0130): "Twenty-One Arch-Criminals Executed in Chongqing"]

[Text] The Chongqing Intermediate People's Court held a public rally to announce judgment at the city's stadium on the morning of 23 February. In accordance with the execution order transmitted from the Sichuan Provincial Higher People's Court, 21 criminals who were guilty of the most heinous crimes were escorted to the execution grounds and were shot.

The crimes of the 21 criminals, who were executed today for committing deliberate murder, robbery, rape, and intentional injury to others, have made the people boil with rage.

The deliberate murderer Sheng Tingjun was a businessman in the Central District of Chongqing City. For a long time, Sheng was living with a young woman surnamed Zhou, who brought her six-year-old son Zhou Peng to live with them after her divorce. On the evening of 27 June 1992, Zhou suggested that their relationship be ended on the ground that her son's domicile could not be registered in the city, and disagreements arose between the couple. Sheng thought that Zhou's intention to put an end to their relationship stemmed from the problem of Zhou Peng's residence registration, and thereupon the wicked idea of killing Zhou Peng came into his mind. Zhou was away from home on 29 February. That night, Sheng took a knife and violently chopped Zhou Peng in the neck while she was fast asleep. Zhou Peng died.

Zhou Yun and Du Guicai, both criminals who committed rape and robbery, were a jobless person from Shapingba District of Chongqing City and a peasant

from Jiangbei County, respectively. After Zhou Yun and He Xiuying (who was sentenced to one year's imprisonment in the same case) resumed their love affair, which had been suspended for some time, Zhou was extremely dissatisfied with He, having learned that He had had sex with a man surnamed Tang during the suspension of their love affair. On 16 March of last year, Zhou Yun suggested that Du Guicai and Liu Fei (who was sentenced to life imprisonment and deprived of political rights for life in the same case) retaliate against Tang. At some time past 2300 that night, the three individuals, Zhou, Du, and Liu, carrying knives and daggers, broke into Tang's house, and attacked and wounded Tang's father, mother, elder brother, and sister-in-law. Zhou and Liu also destroyed the furniture in the house with their knives. Moreover, Liu and Du violently raped two girls, surnamed Li and Tang, who were temporarily living with the Tang family. Having raped Li, Tang, and Tang's sister-in-law, surnamed Peng, Zhou Yun raped Li a second time. Afterward, Zhou and Liu abducted Li and left the site in a taxi. They were later arrested and brought to justice by the public security authorities.

Sichuan Governor on Electronics, Auto Industries

HK0903081393 Chengdu Sichuan People's Radio
Network in Mandarin 2300 GMT 8 Mar 93

[Text] During a recent inspection tour of Mianyang, Xiao Yang, provincial deputy party secretary and provincial governor, was happy to witness the outstanding achievements the city has made in the electronics and auto industries and their huge potential capacity. He clearly stated that the electronics and auto industries should become two major pillars of western Sichuan's industry so as to promote the rapid takeoff of western Sichuan.

Xiao Yang said: Light-industry scientific research units and third-line enterprises [ordinary enterprises located in mountainous or backward areas] in western Sichuan's major cities, which rely on Chengdu, Deyang, Mianyang, and Guangyuan, are first-rate, they have solid infrastructure, and they have a huge potential advantage for the development of the electronics and auto industries. In recent years there have been considerable achievements in the development of the electronics and auto industries in these cities. They have developed television sets, program-controlled exchange machines, facsimile machines, optic fiber telecommunications, auto engines, chassis, car high fidelity products, and others, thus laying a comparatively good foundation. However, their overall volume and scale are not big and do not set much of a trend. This demands we make great efforts to further develop them. It is necessary to bring into full play the collective advantage of various scientific research academies and institutes and use the equipment and conditions of existing enterprises to initiate joint development. For joint development, we must strictly proceed with it according to the laws of economics so that interests can be appropriately obtained by parties concerned and that everyone has the incentive, and we must

immerse ourselves in hard work for several years and strive to build western Sichuan's major cities into an electronics and auto corridor.

Xiao Yang stressed: Sichuan's development is a question of overall planning. While emphasizing the development of electronics and auto industries, we must continue to vigorously develop light industry, textile, silk, food, metallurgical, and machine-building industries, and others.

Tibet Leaders Attend New Year Gathering

OW0903141293 Lhasa XIZANG RIBAO in Chinese
19 Feb 93 pp 1, 3

[Unattributed Report: "Tibet Holds Year of the Water Rooster New Year Gathering; Deputy Secretary Danzim Delivers New Year Greetings"]

[Excerpt] The autonomous regional party committee, discipline inspection commission, regional people's congress standing committee, regional people's government, regional committee of the Chinese People's Political Consultative Conference, and the Tibet Military District held a "Tibetan Lunar New Year of the Water Rooster" gathering at the banquet hall of the regional reception center on the afternoon of 18 February.

Attending the gathering were regional leaders including Pagbalha Geleg Namgyai, Danzim, Geng Quanli, Zi Cheng, Chen Hanchang, Puqung, Lieque, Zheng Ying, Sengqen Lozong Gyaincain, Pudoje, Namgyai, Samding Doje Pamo, Gong Daxi, Huokang Suolang Bianba, Zeren Sangzhu, Yang Song, Lhamin Soinam Lhunzhub, Jimzhong Gyaincain Puncog, Lhalu Cewang Doje, Tangmai Gonjue Baimu, Gonbasar Tuddanjigzha, Qaba Gaisang Wangdui, Cedain Zhoima, Duoizha Renzeng-qinmo Jiangbailuosang, Zhou Qishun, Wang Kezhong, Qiu Jian, and Tao Changlian. Also present were Bai Zhao [4101 6856], president of the regional higher people's court; officials of the regional people's procuratorate; Tang Huasheng [0781 5478 3932] and Zhang Zhu, commander and political commissar, respectively, of the regional people's armed police corps; and Luosang Toinzhu [Luosang Dunzhu 3157 2718 7319 3796], mayor of Lhasa City. [passage omitted]

Yunnan Secretary Addresses Key Construction

HK0903054293 Kunming Yunnan People's Radio
Network in Mandarin 1000 GMT 4 Mar 93

[Text] On 3 March, Pu Chaozhu, provincial party secretary, pointed out at the Yunnan Provincial Key Construction Work Meeting: Over the past decade, this province has made great achievements in the construction of key projects which play a very important role in the exploitation of natural resources and in the development of the national economy.

Pu Chaozhu said: The provincial CPC Committee has been adhering to a single strategy of development since

the Sixth Five-Year Plan, that is, going all out to develop a rural commodity production base to provide abundant raw materials for the production of light industry. Key construction and transformation of such light industries as tobacco, sugar, and tea have been conducted in accordance with the requirements of high starting points, new technology, and a fairly large scale to form superior industries, thus funds have been accumulated for key construction in six respects—transportation, energy, telecommunications, irrigation, education, and science and technology—and a solid foundation has been laid for the overall development of Yunnan in the days to come. We must still keep adhering to this strategy of development during the periods of Eighth Five-Year Plan and of the Ninth Five-Year Plan.

Pu Chaozhu pointed out: Leading up to the year 2000, the key construction task of Yunnan Province is very arduous, and approximately over 20 billion yuan of investment will be needed in capital construction alone. Apart from grasping key construction of transportation, energy, telecommunications, and irrigation, we must also develop new core industries which have special natural superiority and a good market, such as a phosphorus chemical industry, nonferrous metal, rubber processing, and phosphate processing, and tourism. To make as little investment as possible, to have the shortest work period, and to have good quality, the most basic experience is to strengthen leadership, devise plans meticulously, and enforce strict control.

Pu Chaozhu hoped the various departments concerned do well the work of providing services for key construction and successfully fulfill the key construction projects which are social systematic projects.

North Region

Beijing Secretary Attends Political Conference

SK0903040293 Beijing BEIJING RIBAO in Chinese
21 Feb 93 p 1

[By reporter Qiu Hongbo (6726 3163 3134): "Emancipate the Mind and Do a Solid Job To Better Serve Reform, Opening Up, and Economic Construction"]

[Excerpts] The municipal conference on political and legal work, which ended 20 February, pointed out the necessity of emancipating the mind and doing a solid job to better serve reform, opening up, and economic construction. Municipal party Secretary Chen Xitong and Mayor Li Qiyan attended the conference. [passage omitted]

The conference pointed out: Major tasks for the municipal political and legal work in 1993 are: Comprehensively implementing the guidelines of the 14th CPC National Congress and of the seventh municipal party congress; carrying out the principles, policies, and work demands decided by the national conference on political and legal work; persisting in the party's basic line;

striving to safeguard the political and social stability of the capital; dealing resolute blows to the sabotages by hostile forces at home and abroad; continuing to struggle against serious criminal cases and theft cases; further carrying out the comprehensive management of social order; and providing guarantee and service with laws for accelerating reform and opening up and for developing the socialist market economy. In addition, political and legal departments should guide their cadres and policemen, leading cadres at all levels in particular, to further emancipate their minds, change their ideas, and set up high aims and lofty aspirations of creating first-class levels in all items of work.

Mayor Li Qiyan stressed: Under the situation of deepening reform and opening up and accelerating the pace of economic construction, we should attach great importance to and strengthen the political and legal work. We must not, in the slightest degree, deviate from the idea that the political and legal work occupies an important position in carrying out reform and opening up and in building socialism. At present, when the economy is developing rapidly, we need a stable social environment. Otherwise, we will be unable to concentrate our energy on construction. Giving full play to the functions and role of political and legal departments is a guarantee for stabilizing the fine social environment. Political and legal departments should conscientiously and comprehensively implement the party's basic line and should persist in the principle of "firmly grasping both economic construction and political and ideological work" in order to effectively serve economic construction.

He said: The market economy is precisely the legal system economy. The more the market economy develops, the more we should strengthen the overall control. Another task of the political and legal departments is to use the legal means to protect our economic construction, to safeguard the legal rights and interests of all economic legal persons, and to serve economic construction from the judicial angle. From now on, we should strengthen leadership over the political and legal work, accelerate the building of the ranks of political and legal workers, and constantly improve the quality of the ranks in order to meet the demand of economic development.

Li Qiyan said: At present, economic work has been carried out vigorously. The comrades engaged in the political and legal work should not harbor ideas of peace and paralysis because paralyzed ideas lead to problems. To embark the 1993 political and legal work to a new stage, the key lies in further emancipation of the mind. The emancipation of the mind should not stay at the level of words but should be carried out in a practical manner. At the conclusion of the conference, on behalf of the municipal party committee and the municipal government, Li Qiyan thanked the political and legal workers and called on them to score even greater achievements in the 1993 work.

Meng Zhiyuan, vice chairman of the municipal people's congress standing committee, also attended the conference.

Beijing Secretary Attends Economic Conference
SK0903040393 Beijing BEIJING RIBAO in Chinese
21 Feb 93 p 1

[By reporter Wu Xiangzhong (0702 0686 0022) and Hua Kun (5478 2492): "Seize the Opportunity, Advance by Taking Advantage of the Favorable Situation, and Strive To Make This Year's Work Better Than That of Last Year"]

[Text] The municipal overall economic work conference which opened on 16 February came to an end yesterday. Municipal leaders, including Chen Xitong, secretary of the municipal party committee; Zhang Jianmin, chairman of the municipal people's congress standing committee; and Li Qiyuan, municipal mayor, attended yesterday's closing ceremony.

Executive Vice Mayor Wang Baosen presided over the conference, and Mayor Li Qiyuan summed up the conference.

Li Qiyuan said: This conference has been successfully held, attaining the expected goal. Comrade Baosen's report delivered at the conference has comprehensively summed up the work of the overall economic management departments of last year, analyzed the current domestic and foreign situations, and clearly defined the orientation to which the overall economic management departments should make efforts in the future. All participants have highly appraised these reports during their discussions and maintained that the reports conform with Beijing's reality, embrace many ideas, are significant in providing strong guidance, and put forward new ideas and new methods for solving problems and overcoming difficulties.

How to make further efforts and to realize the goal of making this year's work better than that of last year on the basis of last year's fairly great achievements? Li Qiyuan stressed several issues: First, we should firmly seize this rare opportunity. Opportunities are not forever available, they disappear very quickly. We cannot make up for lost opportunity. If we fail to clearly recognize the overall situation and remain bound by minor issues in nonessential and minor aspects, we will lag behind other people. We must have a strong sense of urgency, enhance spirit, and advance by taking advantage of the favorable situation.

Li Qiyuan said: Second, we should further emancipate minds. Practice conducted since the third plenary session of the 11th party Central Committee showed big economic development and great social reform followed whenever we greatly emancipated our minds. The final test of whether a department has realistically emancipated its mind is whether the disparities, problems,

difficulties and contradictions existing in this department have realistically been solved.

Third, we should accelerate the change of mechanism and functions. Li Qiyuan said: Deepening reform will be empty talk if we fail to change mechanisms and functions. Currently, in the process of changing functions, the overall economic management departments should conscientiously solve two issues. 1) They should continue to delegate power and to decontrol some aspects. Have the necessary powers been delegated? Have all the necessary aspects been decontrolled? Have all the delegated powers been well implemented? Judging from the market economic development, obviously, they still have a long way to go to fulfill this work. 2) After delegating powers and decontrolling some aspects, they must strengthen the overall economic management work according to the new basis. This is an important part of changing functions in the course of reform. Therefore, the functions of macroeconomic regulation and control of the overall economic management departments can only be strengthened and not weakened.

Li Qiyuan said: Fourth, we should realistically change work style and make earnest efforts to carry out practical work. We should deal with concrete matters relating to work, seek high efficiency, perform our work honestly, hold fewer and shorter meetings but conduct more investigations and study, and do more practical work. Fifth, we should strengthen study and raise the quality of cadres. First of all, we should study Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics well because the new practice needs new theoretical guidance. Meanwhile, we should strive to study economics, law, science, and culture as well as related professional knowledge of the present age.

Chen Xitong, secretary of the provincial party committee, gave a short speech. He said: The municipal party committee will resolutely support the municipal government's work plans and promote their implementation. He encouraged the participants to study how to manage the market economy during their practice of developing the market economy and to enhance their skills in realizing macroeconomic regulation and control by applying the law of value.

The keynote of emancipating minds and making earnest efforts to do practical work was stressed during the five-day overall economic work conference. This first municipal conference held after the organization of the new municipal government sounded the clarion call of speeding up reform and opening up and striving to make this year's work better than that of last year in the municipality.

Wang Jialiu, Yang Chaoshi, Wang Tong, Ouyang Wenan, Duan Bingren, Qiang Wei, Li Yongnan, Xia Qinlin, Feng Mingwei, He Luli, Hu Zhaoguang, Meng Xuenong, and Duan Qiang attended the conference.

Beijing Secretary Addresses Mobilization Rally*SK0903082293 Beijing BEIJING RIBAO in Chinese
23 Feb 93 p 1*

[By reporter Bi Kun (3968 2492): "Carry Out the 'Implementation Methods' for the Regulations To Ensure That Beijing's Industrial Work Will Exceed Last Year's"]

[Excerpt] On the afternoon of 22 February, Beijing Municipality held a mobilization rally on carrying out the "implementation methods" for the regulations to ensure that Beijing's industrial work will exceed last year's. "The Beijing Municipality's Implementation Methods for Changing the Operational Mechanism of the State-Owned Industrial Enterprises" has been issued as the first order in 1993 of the municipal government.

Chen Xitong, Li Qiyang, and Li Runwu spoke at the rally; Zhang Jianmin, Wang Daming, Li Zhijian, Xia Qinlin, and Lu Yucheng attended the rally; and Wang Baosen presided.

The municipal government has issued its "implementation methods" to comprehensively implement the State Council's "Regulations on Changing the Operational Mechanism of State-Owned Industrial Enterprises." This is another major measure of the municipality to deepen enterprise reform. The "implementation methods" have not only manifested the 14th CPC National Congress guidelines and the basic demands of the "regulations," but also provided specific stipulations and extensions for some principles of the "regulations" and provided even more decision-making powers to enterprise in line with the reality of Beijing, by aiming at building the socialist market economic system. Conscientiously carrying out the "implementation methods" will play an important role in increasing the vitality of enterprises, in improving the quality and economic efficiency of enterprises, and in accelerating the transition to the new economic systems.

Municipal party Secretary Chen Xitong stressed in his speech that the municipal party committee has called on party organizations at all levels to firmly implement the "regulations" and the "implementation methods" and to do a solid job to ensure the implementation of the methods.

Mayor Li Qiyang stressed in his speech: Emancipating the mind is the guidance and prerequisite to carry out the "regulations" and the "implementation methods" and to make the municipal industrial development surpass last year's. At present, the brand of old systems remains in our ideas and concepts, in our work guidance, in our economic management, and in our enterprise operation; and the influence from the ideas concerning "the centralized control and state interference" and the ideas concerning "waiting for and depending on the state help and demanding something from the state" should not be underestimated. We must constantly emancipate our minds to keep abreast of the development of the situation. Only after emancipating our minds and changing

our concepts can we set forth new thoughts and new measures, can we conscientiously carry out the "regulations" and the "implementation methods," and can we promote the large-scale development of the municipal industry.

Li Qiyang said: The purpose of formulating the "regulations" and the "implementation methods" is to deepen reform; help change the operational mechanism of enterprises; and make enterprises form, as quickly as possible, a flexible development mechanism, a business and marketing mechanism, a distribution mechanism, and an employment mechanism. In forming these mechanisms, the key lies in increasing the dynamics of enterprise reform. First, we should enable enterprises to assume responsibility for their operation. Governments at all levels and all responsible departments should voluntarily create conditions for continuously delegating powers to enterprises. They should not be allowed to retain the powers which should be delegated to enterprises, nor should they withdraw powers from enterprises without authorization. Enterprises should also be brave in applying the "regulations" and the "implementation methods" to safeguard their own rights and interests. Second, we should continue to reform the enterprise assets operation methods. The "eight ships" method is feasible and thus should be improved continuously. At the moment, we should specially attend to the experimental work for the shareholding system. Third, we should deepen the reform of labor, personnel, and distribution systems within enterprises, and should gradually establish a new type of enterprise system that is geared to the socialist market economy. Fourth, we should accelerate the readjustment of the organizational structure of enterprises. Enterprise groups should be real enterprise groups that are geared to the development of the socialist market economy. They should not be administrative companies that have just changed their titles.

Li Qiyang pointed out: To truly carry out the "regulations" and the "implementation methods," enterprises are demanded to adapt themselves to the new situation as quickly as possible and to learn to apply market mechanism to strive for development of production. The basic law the market operational mechanism follows is the law of value. Enterprises should develop production in line with market demands. We should strengthen study, studying from books, practice, and all experts. We should not only learn from the successful experiences of our country, but also learn from the experiences of the countries where the market economy is well developed. This is the only way to achieve success in our work. [passage omitted]

Beijing Secretary Attends Commercial Conference*SK0903081693 Beijing BEIJING RIBAO in Chinese
24 Feb 93 p 1*

[By reporter Su Jinghua (5685 2529 5478): "Emancipate Minds, Seize the Opportunity, Make Earnest Efforts To

Do Practical Work, and Strive To Make the Total Volume of Retail Sales Exceed the Great Target of 50 Billion Yuan"]

[Excerpts] The Beijing Municipal commercial work conference was held at the Great Hall of the People yesterday afternoon. The conference stressed that it is necessary to comprehensively implement the 14th CPC Congress guidelines; uphold the party's basic line; and, on the basis of building the socialist market economy, continue to emancipate minds, seize the opportunity, deepen reform, expand the degree of opening up, readjust the structure, raise efficiency, promote a comprehensive commercial development in the capital, and strive to make the total volume of retail sales exceed the target of 50 billion yuan.

Chen Xitong, Li Qiyang and Fu Limin addressed the conference. Zhang Jianmin, Yang Chaoshi, Ouyang Wenan, Qiang Wei, Xia Qinlin, Feng Mingwei, and Huang Chao attended the conference. Wang Sen presided over the conference and Meng Xuenong delivered a work report.

Municipal party committee Chen Xitong Secretary gave a speech. He called on party organizations at all levels throughout the municipality to mobilize and organize party members and the people to conscientiously implement all tasks proposed by the commercial work conference, to guarantee that the total volume of commodity retail sales in society during this year will exceed 50 billion yuan, and to enable all fields of work to enter a new stage.

Mayor Li Qiyang also gave a speech. He fully affirmed the commercial work and spoke highly of it. He pointed out: Over the past few years, tremendous development was seen in the municipal commercial work, which was prominently manifested in the fact that the total commodity retail sales increased at a double-digit progressive rate in nine successive years and that the building of commercial facilities was greatly developed every year. He extended heartfelt thanks to the broad masses of commercial and service workers and to all comrades who worked diligently for Beijing's commercial development on behalf of the municipal party committee and the municipal government. [passage omitted]

Fu Limin, vice minister of commerce, gave a speech. He said: As far as the commercial administrative departments are concerned, they should develop the market economy, relax control over the market, and delegate powers to the lower level. Meanwhile, the governments should not slacken their efforts in commercial work. They should establish a macroeconomic regulation and control system in the market, such as establishing a necessary commodity reserve system, implementing necessary guaranteeing measures in the agricultural sector, creating an environment for enterprises to compete with one another on an equal basis, checking fake and inferior commodities, and safeguarding the powers and interest of consumers.

Leaders of the relevant municipal committees, offices, bureaus, districts and counties and responsible persons of commercial units, a total of more than 3,300 people, attended the conference.

Beijing Sets Up First Rural Enterprise College

OW1003122793 Beijing XINHUA in English
0804 GMT 10 Mar 93

[Text] Beijing, March 10 (XINHUA)—The Beijing Agricultural Engineering University recently established the Institute of Rural Enterprises and Social Development, which is the first such college in Beijing, the national capital.

According to Zhang Jun, director of the newly founded school, the college aims to train a large number of talented people to run enterprises in the country's rural areas.

The school will open over 20 major fields of study related to the rural industry, which will include management, accounting, marketing, economic law and agricultural environment, the official said.

China has witnessed a boom in rural firms since the late 1970s, when the country initiated its economic reform and opening policies.

At present, rural industries account for one-fourth of the country's total in terms of output and exports.

Northeast Region

Heilongjiang Approves Government Secretary General

SK0703052893 Harbin Heilongjiang People's Radio
Network in Mandarin 1000 GMT 6 Mar 93

[Text] The second Standing Committee meeting of the eighth provincial People's Congress satisfactorily ended today after a five-day session. This meeting upheld the persons selected and appointed by the provincial government and the provincial people's procuratorate. Thus far, the shift of the term of the provincial government has been basically completed, thus providing a solid organizational guarantee for the province's success in reform, opening up, and economic construction.

The 55 members of the Standing Committee of the provincial People's Congress who were present at today's meeting adopted, through the form of using the voting machine, the 1993 work priorities of the eighth provincial People's Congress Standing Committee. The priorities are: 1) Conscientiously enacting local legislation; 2) examining and discussing major matters and strengthening supervisory functions; 3) strengthening supervision over law enforcement and ensuring implementation of laws, rules, and regulations; 4) maintaining close ties with deputies and giving full play to the deputies' role in managing state affairs; 5) guiding the election of new terms of county and township People's Congresses, and

attending to personnel appointments and removals; and 6) strengthening the self-construction of the provincial People's Congress Standing Committee.

Through the use of a voting machine, members adopted the decision of the eighth provincial People's Congress Standing Committee on accepting Ren Zhaokui's request for resigning from his posts as member of the eighth provincial People's Congress and as chairman of the financial and economic committee under the provincial People's Congress. Through secret ballot, the meeting adopted some personnel appointments and removals.

Amid warm applause, Li Genshen, An Zhendong, Qi Guiyuan, Xie Yong, Du Xianzhong, Zhu Dianming, Zhao Jicheng, and Liu Hanwu, vice chairmen of the provincial People's Congress Standing Committee, issued appointment certificates to Liu Gongping and 47 other newly appointed component members of the provincial government and to deputy chief procurator of the provincial people's procuratorate.

Liu Gongping, newly appointed secretary general of the provincial government, made a speech on behalf of the newly appointed cadres. He pledged to make good use of the powers entrusted in him by the people to successfully do the work of the provincial government.

Heilongjiang Firm Acts Against 'Unwarranted Fees'

SK0603081593 Harbin Heilongjiang People's Radio Network in Mandarin 1000 GMT 5 Mar 93

[Text] Since January this year, a 2-meter-high and 1-meter-wide board with the characters "No admittance to those who set unwarranted quotas and extract unwarranted fees" has been hanging on the door of Beifang Machinery Plant in Jiamusi. This event has produced wide repercussions among enterprises in Jiamusi.

As introduced by plant Director (Li Rongquan), this board was hung by plant staff and workers of their own accord. The reason is: The plant has long been bogged down in cross-defaults. In other words, the plant owed others 15 million yuan, and someone else owed the plant 15 million yuan. Therefore, the plant had no working funds to purchase the necessary raw materials, and this put the plant into dire straits, forcing part of its staff and workers to take a long leave. Even in such difficult circumstances, this plant still witnesses the assignment of unwarranted quotas and the extraction of unwarranted money and property. Just before the Spring Festival, a certain unit of the city asked this plant to hand in five machinery lamps and 15 cloth lamps for a children's park. Having no choice, plant director bought 16 new cloth lamps and used 8 old lamps to cope with the situation. This also cost the plant more than 3,000 yuan.

What angered the plant's staff and workers even more was the fact that there was no public welfare facility in

the city, denying access to benefits staff and workers needed. However, this plant pays a huge sum of money to support this facility. Therefore, after being signed by the plant director, staff and workers themselves went to the office of its trade union director and decided that they would not only refuse to hand in this amount of money, but would also write and hang this huge sign on the door.

Enterprises in Jiamusi have held different views on this event. Someone maintains that this will not solve the problem. Others maintain [words indistinct]. However, a survey shows that 54 percent of entrepreneurs maintain that the setting of unwarranted quotas and the extraction of unwarranted fees are major factors which hamper the development of enterprises and that they have to be dealt with.

Liaoning Government Holds Work Conference

SK0903083993 Shenyang Liaoning People's Radio Network in Mandarin 2300 GMT 8 Mar 93

[Text] Entrusted by Yue Qifeng, governor of the provincial government, Wen Shizhen, executive vice governor of the provincial government, sponsored the first routine work conference of the eighth provincial government at Liaoning Building on 5 March. Xiao Zuofu, Zhang Rongmao, Cong Zhenglong, Guo Tingbiao, Gao Guozhu, and (Zhang Rongning), members of the routine work conference of the provincial government and vice governors of the provincial government, and Cui Yukun, secretary general of the provincial government, attended the conference.

The conference participants arranged and defined the division of work between governor and vice governors and discussed and arranged the current work.

The comrades participating in the conference unanimously maintained: In line with the government work report and various resolutions as adopted at the first session of the Eighth Liaoning Provincial People's Congress, the leading body of the new provincial government will make efforts and go all out to make the province strong, inherit and carry forward the older generation's spirit of arduously doing pioneering work, work together with the people of the province to undertake the historical heavy mission of starting Liaoning's second economic development undertaking, do solid work to truly develop Liaoning and to create real benefits for the people, and make new contributions to helping the old industrial base of Liaoning radiate the vigor of the youth and restore its prestige as soon as possible.

The conference participants urged: In line with the study of the government work report, we should conduct a province-wide mass discussion on starting the second undertaking and mobilize the people from higher levels downward across the province to further emancipate the mind, change ideas, and seek unity of thinking and

action. The urban and rural areas, all trades and professions, and the grass-roots units should engage themselves in the practice of starting the second economic development undertaking.

The conference participants stressed: In line with the 1993 work tasks as set forth at the provincial government work report, we should accurately select breakthrough points to start the second undertaking and ensure that there are high starting points, that big strides will be taken, and that good achievements will be made. The current work priorities of the provincial government are as follows: First, we should strengthen the degree of reform and comprehensively carry out the reform work in various spheres. Second, we should speed up the pace of opening to the outside world and improve the quality of opening to the outside world. Third, we should regard agriculture as the most urgent work at present, do a good job in organizing spring farming, and firmly and solidly attend to the preparations for plowing and sowing. Fourth, we should organize the current industrial and communications production, maintain the good industrial and communications production trend of last year, and grasp the current golden season in industrial production to ensure a faster increase in industrial production in the first half of this year. Fifth, we should conscientiously implement and handle the motions and suggestions made by the deputies to the provincial People's Congress and the motions made by the members of the

provincial committee of the Chinese People's Political Consultative Conference. Sixth, various departments of the provincial government should put the much-debated problems that concern the masses of the people on the main work agenda and realistically do good and tangible deeds for the people. We should pay attention to the overall improvement of social order, deal blows to criminal activities, and maintain social stability. We should try every possible means to help the peasants in some localities eliminate their difficulties in marketing grain and realistically solve the problems that some localities have not paid the grain sellers. We should conscientiously study and work out measures for solving the problems of being behind with the payment of teachers' wages, prescribe the time limits for solution, and set forth specific regulations. The governments of the counties where teachers' wages are not paid must not purchase sedan cars. We should realistically solve the problems relating to the business of government organs. In engaging in trade, the government organs should persist in the principle of separating government functions from enterprise management, separating official duty from commercial business, and telling public affairs from private affairs. The provincial economic restructuring committee should set forth specific policies and regulations governing government organs' trade management. The industrial and commercial department should conscientiously organize forces to deal blows to fake and poor-quality commodities.

2 Taiwan Dissidents Plan To Return From PRC*HK1003050193 Hong Kong THE STANDARD in English 10 Mar 93 p 10*

[By S.L. Law]

[Text] The Taiwanese member of the Standing Committee of the National People's Congress (NPC) Huang Shunxing, who is on the Taiwan government's banned list of exiled dissidents, plans to return to Taiwan after having failed to be re-elected to the NPC.

Huang's return, coupled with the expected re-entry approval to scholar Chen Guying who is lecturing in Beijing University, will further reduce Taiwan authorities' blacklist to just a few.

The 70-year-old Huang, who had been head of a Taiwan county strongly in support of reunification before coming to China in 1985, plans to leave for Taiwan in late April via Hong Kong.

Despite Chen's past 16 failed applications to re-enter Taiwan, Huang said the Kuomintang (KMT) government would not be able to find any excuse to bar him from returning home.

"In the first place, I no longer hold any official position after the seventh NPC ends this week," he said.

"Secondly, and most importantly, the Taiwanese laws state that a citizen has the right of entering Taiwan when he reaches the age of 70 disregarding his political beliefs."

Meanwhile, the Taiwan government will hold a special meeting this week to study the application of Chen, who was one of the initiators of Taiwan's opposition activities in the 1970s and was banned for allegedly taking part in an overseas Taiwan independence campaign.

Hong Kong XINHUA on Cross-Strait Exchange*HK1003084493 Beijing XINHUA Hong Kong Service in Chinese 1101 GMT 9 Mar 93*

["Dispatch From Hong Kong": "Zhang Junsheng Says: Cross-Strait Exchange Is Mainly a One-Way Matter"]

[Text] Hong Kong, 9 Mar (XINHUA)—Zhang Junsheng, XINHUA Hong Kong Branch deputy director, said today that cross-strait exchange has remained a one-way matter to date. Last year, the mainland received more than 1 million people of all walks of life from Taiwan, whereas only a small number of mainland people visited Taiwan.

Zhang Junsheng made these remarks at a luncheon he hosted on behalf of the XINHUA Hong Kong Branch in honor the second batch of Taiwan-bound mainland scientists. He said that since all the scientists present are renowned scholars known at home and abroad, their visit is bound to enhance the cross-strait scientific,

technological, and academic exchanges and intercourse and push ahead with the cross-strait scientific and technological cooperation.

Zhang Junsheng added: We welcome people of all walks of life in Taiwan to visit and sightsee on the mainland. We have placed virtually no restrictions on the cross-strait scientific, technological, cultural, economic, and trade exchanges. Nonetheless, it is a pity that the Taiwan authorities have imposed many restrictions on Taiwan personages visiting the mainland and the mainland personages visiting Taiwan and have tried to prevent them from doing so.

At the invitation of Professor Wu Dayou, a well-known Taiwan physicist, the second batch of mainland scientists and their wives, an 11-member entourage headed by Professor Gu Chaohao, member of the Scientific Council of the Chinese Academy of Sciences and president of the China University of Science and Technology, left Beijing and arrived in Hong Kong on 8 March. After a short stopover in Hong Kong, they are scheduled to fly to Taiwan on 11 March, where they will start an 11-day visit involving academic exchange and sightseeing activities.

Before this, Wu Jieping, China Association of Science and Technology vice president, and six other mainland scientists paid a maiden visit to Taiwan last June.

New Taiwan Foundation To Promote Trade Exchange*HK1003102893 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1037 GMT 1 Mar 93*

[By reporter Zhang Suifeng (1728 4482 1496)]

[Text] Hong Kong, 1 Mar (ZHONGGUO TONGXUN SHE)—Chang Ping-chao, chairman of the Cross-Strait Commercial Coordination Association [CSCCA], said the Cross-Strait Commercial Development Foundation [CSCDF], which he is to initiate in Taiwan, has obtained official approval and will establish a board of directors this month in accordance with regulations.

Chang Ping-chao, during an interview with this reporter in Hong Kong, said that the board of the CSCDF, which is about to be established, will have 45 directors, 10 times stronger than the CSCCA established in Hong Kong in 1989, and that its members will include 60 to 70 companies listed in Taiwan. The CSCDF has NT \$100-200 million [new Taiwan dollars], whereas the CSCCA has less than NT \$5 million.

Chang Ping-chao pointed out that the CSCDF, which will replace the CSCCA, is different because it has enhanced functions, more participants, and a scale which might even be larger than the Straits Exchange Foundation. Almost all the large and good enterprises in Taiwan are members of the board of directors of the CSCDF, while the trades commissions under it include people who are running medium and small enterprises.

At present, the Association for Economic and Trade Coordination, founded by the CSCCA and the China Council for the Promotion of International Trade on the mainland, has four special commissions responsible for trademark patents, mediation and arbitration, legal services, and industrial and commercial consultation. These commissions organize relevant activities. The CSCDF plans to establish more than 20 trades commissions for the trades which have made the largest amounts of investments on the mainland. Chang Ping-chao said that, as all the larger enterprises in Taiwan have now inspected the mainland, it has become meaningless to organize exploratory visits for Taiwan businessmen to the mainland. The establishment of commissions based on trades will more solidly promote exchanges between trades across the strait, carry out special topic discussions on investment and trade, and help solve the problems arising from trade across the strait. He pointed out that the changes in organization and framework will be discussed with the Association for Economic and Trade Coordination, so that both sides can make the appropriate adjustments.

Taiwan To Study Investing in Hong Kong

HK1003012093 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 1245 GMT 28 Feb 93

[By correspondent Zhang Suifeng (1728 4482 1496)]

[Text] Hong Kong, 28 Feb (ZHONGGUO TONGXUN SHE)—Li Chang-i [7812 2490 1942], representative for

Hong Kong-based Taiwan institutions and general manager of the Hong Kong Chung-hua Travel Agency, said that Lien Chan, the new Taiwan Executive Yuan president, would be paying more attention to work surrounding Hong Kong and Macao and offering more services over the next few years.

Attending today's inaugural meeting for the "China Economic Exchange Association," Li Chang-i stated that Lien Chan was already involved with the work of Hong Kong and Macao group when he was Taiwan foreign minister, and later was charged with Hong Kong and Macao policymaking when working as Taiwan Executive Yuan vice president. Today's establishment of the "China Economic Exchange Association," which was jointly initiated by the Taiwan International Trade Association and the Hong Kong Taiwan Trade Promotion Association, and the Taiwan Ching Chuang Society's plans to set up offices in Hong Kong are the result of encouragement by Taiwan officials to Taiwan industrialists to value Hong Kong investment.

Li Chang-i said that apart from hotel investments in Hong Kong in recent years, Taiwan businessmen have also been investing in financial and property industries in association with Hong Kong businessmen, and even in Vietnam's public utilities. He pointed out that Taiwan's concerned units have been strengthening Hong Kong and Macao policies and have been promoting these policies with the enlistment of Hong Kong nongovernmental force. Therefore, he believes that Lien Chan will only value Hong Kong and Macao work more and offer more services in the next few years.

Avoiding U.S. Retaliation 'Priority' in Talks*OW1003084793 Taipei CNA in English 0747 GMT
10 Mar 93*

[Text] Taipei, March 10 (CNA)— Economic Affairs Minister P.K. Chiang said Tuesday [9 March] that avoiding US retaliatory measures is the nation's priority in its ongoing intellectual property rights protection negotiations with the United States.

All in all, immediate American retaliation must be absolutely avoided, Chiang said when asked to comment on the first day of discussions, which sources described as "not optimistic."

The eye-catching negotiations opened in Washington Tuesday with discussions on the inspection of Taiwan-produced computer software and parallel imports of copyrighted products, better known as "gray goods" here, being the highlights of the agenda.

The sources said that American negotiators during the talks expressed their disappointment over the alleged failure to protect intellectual property rights by Taipei.

"If possible, we would seek another round of negotiations should no agreement be reached in the present talks," Chiang said.

He stressed that he has asked Vice Economic Affairs Minister Sheu Ke-sheng, chief negotiator of the Taipei delegation, to show the US side the ROC's [Republic of China's] determination and sincerity to safeguard intellectual property rights [IPR].

The Clinton administration has repeatedly threatened to retaliate against Taiwan, claiming that Taipei has failed to honor the IPR protection agreement it signed with Washington last year.

IOC Expresses 'Concern' Over Entry Limits*OW0903104093 Taipei CNA in English 0817 GMT
9 Mar 93*

[Text] Taipei, March 9 (CNA)—The Chinese-Taipei Olympic Committee (CTOC) has been asked by the International Olympic Committee [IOC] to explain the Republic of China [ROC]'s restrictions on travellers from certain countries to Taipei, according to CTOC Chairman Chang Feng-shu.

Chang said the Chinese-Taipei Olympic Committee is likely to submit a report at the bureau meeting of the Olympic Council of Asia on May 6 during the East Asian games in Shanghai.

The IOC has time and again expressed its concern over ROC entrance restrictions. In September 1991, for instance, the IOC sent a letter to Chang Feng-shu, requesting an explanation.

IOC President Juan Antonio Samaranch said in the letter that he hoped that the ROC would make an

exception to the law for people taking part in or connected with the staging of sports competitions in Taiwan.

A Mainland Chinese sports official who declined to report on his true identity when first applying for an entrance permit as leader of two mainland Chinese basketball teams was rejected entry late last month. Though he was later granted the permit when he refilled the application under his true identity, the issue aroused concern that the IOC would bring up the subject again in the Shanghai meeting in May.

In fact, the ROC authorities have provided convenience to cultural and sports groups to travel to Taiwan, by making exceptions to the entrance law, says an official of the Bureau of Entry and Exit.

An official of the Chinese-Taipei Olympic Committee said that the IOC has adopted resolutions to be followed by all national olympic committees.

In view of political interference on sports in certain countries, the IOC specified its concern over the issue in the final declaration of its general assembly in Acapulco last november.

An ad hoc committee was set up under the IOC to consider the issue of relations between national olympic committees and their respective governments.

An official of the Chinese-Taipei Olympic Committee said that his committee was studying whether the ROC's civic group law did not contradict IOC regulations.

Economic Cooperation Meeting With India Opens*OW0903100293 Taipei CNA in English 0810 GMT
9 Mar 93*

[Text] Taipei, March 9 (CNA)—The government will seek to sign with India an agreement on investment guarantee and double taxation avoidance, Vice Economic Affairs Minister Yang Shih-chien said Tuesday [9 March].

In a keynote speech at the first economic cooperation meeting between Taiwan and India, Yang noted that a pact to protect the interests of domestic investors would be conducive to the strengthening of trade cooperation between the two countries.

With a population of 880 million and rich natural resources, India boasts a great market potential, he pointed out.

Stressing that the one-day meeting marks a good start, the vice minister said he looked forward to seeing the upgrading of exchanges between the two countries to the official level.

More than 60 business leaders from both sides have been invited to the gathering, the first of its kind since Taipei and New Delhi broke diplomatic relations in 1949.

Jeffrey Koo, chairman of the International Affairs Committee of the Chinese National Association of Industry and Commerce, heads the Chinese delegation, while the Indian side is led by R. P. Geonka, president of the India-Taiwan Business Council.

Koo, who is also chairman of the China Trust Bank, said that his bank is making plans to open a branch office in Bombay, western India, or in Calcutta, a port city in northeast India.

The semi-official China External Trade Development Council, this country's highest trade promotion body, established an office in Bombay in January, ushering in an era of closer trade ties with India, he noted.

Geonka expressed the hope that two-way trade between Taiwan and India, which totaled US\$410 million last year, could jump to more than US\$1 billion by the year 1995.

In a new move to boost ties with Taiwan, the Indian entrepreneur said his country will set up a semi-official travel agency in Taipei next month to handle visa applications.

Seminar on Taipei-Moscow Ties Planned

OW1003103893 Taipei CNA in English 0801 GMT
10 Mar 93

[Text] Taipei, March 10 (CNA)—A seminar on the prospects for development of non-governmental ties between the Republic of China [ROC] and Russia is scheduled to be held in Moscow March 18-19.

The seminar, the first of its kind ever to be held under the joint auspices of the Moscow-Taipei Economic and Cultural Coordination Commission (MTECCC) and the Diplomatic Academy of Russian Foreign Ministry, is to map out ways to develop substantive Taipei-Moscow ties in the absence of diplomatic relations between the two sides.

MTECCC's Chinese counterpart, the Taipei-Moscow Economic and Cultural Coordination Commission (TMECCC) held a meeting Tuesday to decide on members of its delegation to and topics to be raised in the historic meeting.

Chief ROC delegate Lin Bih-jaw, who is the director of the Institute of International Relations of National Chengchi University, will speak in the opening ceremony while Rock Leng, vice chairman of the Foreign Ministry's Research and Planning Board, will deliver his concluding address.

Members of the Chinese delegation will deliver several more speeches, including "legal guarantees for trade-economical, scientific and technical contacts between Russia and Taiwan" by Liu Ting-tsu, secretary general of the China External Trade Development Council, and

"the potential for Taipei-Moscow cultural and humane exchanges" by Prof. Tai Wan-chin of the Damkang University.

South African Envoy Presents Credentials

OW0903101093 Taipei CNA in English 0840 GMT
9 Mar 93

[Text] Taipei, March 9 (CNA)—New South African ambassador to the Republic of China [ROC] Johannes Lodewikus Viljoen presented his credentials to President Li Teng-hui in the morning.

President Li, after the ceremony held in the presidential office, extending the warmest welcome from the government and the people to Ambassador Viljoen for his new assignment here. [sentence as received]

The president said that the ROC and South Africa have enjoyed a tradition of friendship, and he believed Ambassador Viljoen will contribute very much to further improving relations between the two nations.

The South African envoy, in return, pledged to try his best to promote Sino-South African cultural, economic and trade cooperation.

He also extended South African President de Klerk's best regards to President Li.

Also present at the ceremony were presidential Secretary-General Tsiang Yin-si, Personal Chief of Staff to the President General Lin Wen-li and Foreign Minister Fredrick F. Chien.

Premier Lien Chan Meets Representative to Italy

OW0903190993 Taipei CNA in English 1515 GMT
9 Mar 93

[Text] Taipei, March 9 (CNA)—The Republic of China [ROC] will take the initiative to expand commercial, cultural and technological exchanges with Italy, Premier Lien Chan said Monday [9 March].

Lien made the remarks while meeting with newly appointed ROC Representative to Italy Hung Chien-chao.

Hung, 60, chairman of the Central News Agency [CNA], is scheduled to leave for Rome March 20 to assume his new post.

Premier Lien gave Hung his appraisal of the prospects for strengthened ROC-Italy relations, and expressed the confidence that Hung would bring new thinking to the task. The ROC does not have formal diplomatic ties with Italy.

In his first policy address to the Legislative Yuan last week, Lien said his administration will pursue a "well-rounded" pragmatic foreign policy to open up new diplomatic frontiers for the nation.

Hung, a veteran journalist, has been CNA correspondent in Washington, D.C. and CNA Houston, Tokyo and London bureau chief. He is now also serving as an interpreter for President Li Teng-hui.

Hung will succeed Edward T.Y. Wu, who has been appointed ROC ambassador to the Holy See.

Board Urges Firms To Consider Mideast Market

OW1003093393 Taipei CNA in English 01:29 GMT
10 Mar 93

[Text] Taipei, March 10 (CNA)—The Republic of China [ROC] should enhance its industrial levels and step up marketing if it is to have a larger market share in the Middle East, the Board of Foreign Trade (BOFT) urged Wednesday [10 March].

The nation has maintained close economic and trade relations with countries in the Mideast region in spite of a lack of diplomatic links, the BOFT indicated.

Imports from the region totaled US\$3.04 billion in 1992, down 1.6 percent from the preceding year, with crude oil and petrochemical products being the main import items.

Roughly 76 percent of Taiwan's oil imports are from the oil-rich Middle East, the BOFT pointed out.

Exports to that part of the world picked up by 6.4 percent last year to a total of US\$1.88 billion. Among the mainstay of the Middle East-bound shipments are information industry products, textiles, plastics goods, car parts, machinery, footwear, handbags and toys.

Hsu Shui-teh Appointed KMT Secretary General

OW1003092693 Taipei CNA in English 0806 GMT
10 Mar 93

[Text] Taipei, March 10 (CNA)—Hsu Shui-teh, incumbent representative of the Tokyo Office of the Association of East Asian Relations, was approved by the Kuomintang [KMT] Central Standing Committee as secretary-general of the party's Central Committee.

Hsu succeeds Sung Chu-yu, who was appointed Taiwan governor by President Li Teng-hui earlier this month.

Hsu, 62, a member of the KMT Central Standing Committee, once served as minister of the interior.

National Assembly Extraordinary Session To Meet

OW1003094193 Taipei CNA in English 0751 GMT
10 Mar 93

[Text] Taipei, March 10 (CNA)—The National Assembly [NA] will meet on April 9 for a two-week extraordinary session, the NA Secretariat announced Tuesday [9 March].

The session's major task is to exercise its rights of confirmation on the new president and vice president of the Examination Yuan, vice president of the Judicial Yuan, and four nominees for the Control Yuan.

"We hope background data of those persons will be sent to the National Assembly before the month's end to allow us ample time for preparatory work," NA Secretary-General Chen Chin-jiang said.

Chen said that he was personally inclined toward the proposal that the above-mentioned nominees be confirmed individually. Another option is a package confirmation.

He stressed that it would not be finalized until bipartisan negotiations are held.

No constitutional amendments will be raised during the session since that was not the reason for convening, Chen added.

The Democratic Progressive Party, Taiwan's largest opposition party, is reportedly planning to be vying for the post of NA deputy secretary-general. The final appointment will be made after bipartisan negotiations, Chen noted.

KMT Reviews 'Dismal Performance' in Election

OW0903122793 Taipei CNA in English 0824 GMT
9 Mar 93

[Text] Taipei, March 9 (CNA)—The failure to choose right candidates was among the major factors responsible for the ruling Kuomintang's [KMT] dismal performance in last December's legislative election, according to a lengthy report prepared by the KMT's Organization Affairs Department.

The nation's grand old party held a meeting Monday [8 March] to review its poor showing in last year's parliamentary poll in which the KMT garnered a mere 53 percent share of the popular vote, the lowest level in decades.

The 16-page report reviewed the party's failures in several categories:

Nominations—the report said the party generally chose the wrong candidates during party primaries and the party central did not heed the advice of local party workers when choosing candidates for particular electoral districts.

Campaigning—KMT candidates often criticized each other publicly and the party's campaign strategies failed to keep pace with societal changes.

Campaign literature—the party's campaign literature and publicity materials were uncreative and candidates failed to seize opportunities to attack their rivals on crucial issues.

Party discipline—many candidates hurt the party's image and unity by openly criticizing the party leadership, thinking it could garner more popular support.

Intraparty squabbling over the land value increment tax, the stock transaction tax and the "One China, One Taiwan" policy also had a negative impact on the party image, according to the report.

During Monday's two-and-a-half-hour meeting, the Organization Affairs Department also presented detailed plans to reform the party apparatus.

Members of the party's ad hoc political and party affairs committees failed to reach any conclusion on the lengthy report on the KMT's faults because time ran out before any discussion on the party restructuring plan started.

"Both the election setback and party reform are important subjects. We should not rush to any conclusions," said Chiu Chuang-huan, a member of the KMT Central Standing Committee and a senior adviser to President Li Teng-hui.

The schedule for further discussion on the party's campaigning faults and restructuring plans will be arranged later by the party's secretariat, Chiu noted.

Population Totals 20,752,494 in 1992

OW1003103993 Taipei CNA in English 0754 GMT
10 Mar 93

[Text] Taipei, March 10 (CNA)—The population in the Taiwan area stood at 20,752,494 at the end of 1992 with 10,708,281 males and 10,044,213 females, the population administration of the Ministry of the Interior reported Tuesday [9 March].

According to statistics compiled by the administration, 320,963 babies were born in 1992 at a gross birth rate of 1.55 percent, while 110,140 people died at a gross death rate of 0.53 percent.

The statistics also indicated that the population of Taipei has decreased 20,000 during the past year while population across the island as a whole, excluding Taipei, increased nearly 200,000.

About 13 percent of Taiwan's population lives in the capital city of Taipei which has a population density of 9,910.4 persons per square kilometer.

The population density in Taiwan was 576.5 persons per square kilometers at the end of January, the statistics showed.

Hong Kong

Reform Must Meet 'International Obligations'

HK1003063693 Hong Kong THE STANDARD in English 10 Mar 93 p 3

[By Brett Free]

[Text] British Minister with Special Responsibility for Hong Kong Alastair Goodlad says any Legislative Council [Legco] decisions on political reform must be "compatible with our international obligations".

Goodlad said there would be no "secret deals" with China on any aspects of the elections.

He said Britain's bottom line was any agreement with China would have to be "fair, open and acceptable" to the people of Hong Kong.

Goodlad said the "views and interests of Hong Kong people will be given full weight" when the political reform bills came before the legislature.

His remarks were contained in a letter to Association for Democracy and People's Livelihood legislator Frederick Fung, who feared Britain had imposed new conditions on the legislature.

"I will write and ask for a clarification asking what he means by 'international obligations'—that is, does he mean the Joint Declaration or other secret agreements in the past or future," Fung said.

"If secret agreements are included then Legco will become a rubber stamp."

Hong Kong government sources were last night still hopeful an announcement could soon be made on the resumption of talks.

Official Warns UK on Talks 'Obstacles'

HK1003033193 Hong Kong WEN WEI PO in Chinese 10 Mar 93 p 11

[Unattributed report: "Zhang Junsheng Warns That If the British Side Creates Obstacles to Talks Again, It Will Be Held Historically Responsible"]

[Text] While attending a party marking the 98th birthday of art master Liu Haisu yesterday evening, Zhang Junsheng, deputy director of the XINHUA NEWS AGENCY Hong Kong branch, said that the details concerning the Hong Kong 1994-95 elections should have been discussed by China and Britain long ago. It was the "three violations" constitutional package introduced by Governor Patten which deferred the consultations. He said: As the consultations have now been seriously deferred, we hope that the British side will not talk too much to mislead the public at this critical moment, and that they will not create new obstacles to the Sino-British diplomatic consultations. Zhang again

urged the British side to return to the track of "three compliances" at an early date.

Zhang Junsheng said: "The details concerning arrangements for the 1994-95 elections should be discussed by China and Britain through diplomatic channels. As the specific date is not yet determined, what is the use of talking too much? The two sides should have discussed the arrangements for elections long ago. However, Mr. Patten's constitutional package destroyed the basis of the talks and wasted time. As the British side has expressed willingness to return to the negotiating table, this is of course welcomed by the Chinese side. At a time when the two sides have not yet reached consensus on the talks, I hope that the British side and the British Hong Kong authorities will not talk too much to mislead the public. This is very important. As a matter of fact, the recent news about the ongoing Sino-British diplomatic contacts was intentionally disclosed by the British Hong Kong authorities. I do not think this is good. If the British side continues to create obstacles to the talks, it will have to be historically held responsible for this."

Zhang said that he had taken note of the letter from Alastair Goodlad, British Foreign Office minister with special responsibility for Hong Kong, to Frederick Fung Kin-kee, chairman of the Hong Kong Association of Democracy and People's Livelihood, which mentioned the observance of international responsibility. Zhang Junsheng said: "Talking of observing international responsibility, it is necessary to abide by the Sino-British Joint Declaration. The most basic point of the Joint Declaration is that the United Kingdom must restore Hong Kong to China with effect from 1 July 1997 and the Chinese Government will resume the exercise of sovereignty over Hong Kong. During the transition period, China and Britain should discuss and determine all the major issues transcending 1997." Obviously, Zhang said, the details concerning arrangements for the 1994-95 elections should be discussed and determined by China and Britain. There simply should be no question of the "three-legged stool." Such a strange thing has not happened during the Sino-British diplomatic talks for a considerably long time. Zhang Junsheng said: "Since the British side has promised to fulfill its international responsibility, it should of course abide by the Sino-British Joint Declaration. As a sovereign state, if it cannot even abide by the most basic international agreement, how can it talk about faith?"

Article Views UK's 'Three-Legged Stool'

HK0903141493 Hong Kong TZU CHING in Chinese No 3, 5 Mar 93 pp 26-28

[Article by Cheng Yu (4453 0060): "It Is Futile To Play the Same Old Trick of the 'Three-legged Stool' Again"]

[Text] Hong Kong Governor Chris Patten's political reform package of "three violations and one confrontation" forwarded last October has severely damaged Sino-British cooperative relations and has threatened

Hong Kong's prosperity, stability, and peaceful and steady transition. The package has proved divisive to society and has caused general uneasiness. Recently, over the strong objections of China and public figures in Hong Kong, the Hong Kong governor, bent on escalating the confrontation, has proposed turning his political reform package into a bill to be tabled at the Legislative Council [Legco]. Meanwhile, voices from London have made no bones about calling for picking up the "three-legged stool" trick once again. Earlier, a high-level British Government official declared in public that the days when London and Beijing could solve the Hong Kong issue through diplomatic talks were long gone. The official added that Hong Kong had changed and that debate and the ensuing Legco deliberations on the political structure were part of that change. He also said that Sino-British talks must be conducted openly and with the participation of the Hong Kong people, now that there is a tripartite relationship between China, Britain, and Hong Kong. Facts clearly show that Britain has become very impatient and anxious over its attempt to "return sovereignty to Hong Kong instead of China" and play the same old trick of the "three-legged stool." It is now willing to stake everything on one last move.

Achieving the "Three-Legged Stool" Through a Representative System Has Been Britain's Long-Standing Goal

Both Chris Patten's political reform package and the statements of high ranking British officials are glossily wrapped with the phrases "working for a representative democracy" and "the participation of the Hong Kong people" and can really fool some people. However, careful thinking can reveal the true intentions behind them.

For one and a half centuries since 1842, Britain has exercised colonial rule over Hong Kong, and during this long period of time there was never any democracy in Hong Kong. The people of Hong Kong were subject to British rule and had absolutely no rights of participation, still less any representative system. Now—all of sudden—there has been a great reversal and a rush for political structural reform. This has purely been motivated by the fact that China will reclaim sovereignty over Hong Kong in 1997. They want to maintain, or maintain as much as possible, Great Britain's interests in Hong Kong through a representative system. They are trying to achieve this objective by working hard to establish and groom a pro-Britain and anti-China force before 1997 and by exerting indirect controls over Hong Kong after 1997 through British rule carried out by non-British.

During the nine rounds of talks between China and Britain in the first stage of negotiations over Hong Kong's future from July 1983 to February 1984, Britain forwarded suggestions and models for "extending the lease" and "surrendering sovereign powers in exchange for the power to rule," and so on, all of which were naturally turned down by China. By then, Britain realized that it was impossible to continue its colonial rule

over Hong Kong beyond 1997 or to gain continued rule over Hong Kong by returning sovereignty to China. The British then came up with the idea of installing in Hong Kong a Western-style representative system through the old trick of decolonization.

The idea first came to light in a declaration made at a news conference in Hong Kong on 20 April 1984 by the then British foreign secretary. Having announced that all of Britain's efforts to secure continued post-1997 sovereignty and rule over Hong Kong had failed and reverting Hong Kong to China after 1997 was an established direction, he revealed that Britain's intentions in the coming days would be for the Hong Kong Government to work in the direction of a representative system. The British foreign secretary gave us two clear messages: First, taking advantage of China's "Hong Kong ruled by Hong Kong people" to smuggle in a "representative system" modelled entirely on Britain's ideas; and, second, exposing the representative system as something offered and marketed from the very start by the British Government and British Hong Kong, not a product demanded by the "popular opinion" of the Hong Kong people.

In the six months following the British foreign secretary's statement, the Hong Kong Government put out a Green Paper and a White Paper on "the further development of the representative system in Hong Kong," setting the target of "gradually building a political system whose powers are securely rooted in Hong Kong and which carries full authority in representing Hong Kong's opinion while being made more responsible to the people of Hong Kong." One of the key issues in all this was turning the hitherto "executive-led leadership" into "legislative-led leadership," providing for the gradual expansion of powers for the Legco and a change in its nature. These would be the central elements determining the success of the representative system reform. Obviously, the real intentions of such a plan were to neutralize all but the name of the "return of sovereignty to China" and turn Hong Kong into a de facto independent entity, so that the political structure left in place after Britain's retreat would be more easily controlled and influenced by Britain and would even be in a position to make rival claims vis-a-vis the central Chinese Government.

After 1985, Hong Kong society and the media's continued doubts about the representative system; opposition to drastic and rapid changes in the political structure during the transitional period; and increasingly stronger demands for steady and gradual development in the political structure, convergence with the Basic Law, and a smooth transition forced Britain to slow down and reach an agreement and understanding on the political structure with China in 1990. Against the thoughts of well-intentioned people, however, Britain did not thereby give up its "three-legged stool" scheme. A quick look at the history of Britain's withdrawal from its former colonies shows that Britain would not easily hand over power to a sovereign state.

Misjudging the situation, Britain changed the Hong Kong governor last year and had Chris Patten unveil a political reform package. The timing of the unveiling may have been abrupt, but the package is entirely in league with the old dream of "returning power to Hong Kong." The only differences are that the violation of the Joint Declaration, the Basic Law, and the relevant agreements and understandings between China and Britain is more pronounced and the package is more harmful to Hong Kong society. It is only reasonable that the package has been resolutely opposed and strongly criticized by China, people from different walks of life in Hong Kong, international figures, and some perceptive people in Britain.

The Political Reform in Which the Legco Has the "Final Say" Is a Blatant Law-Breaking and Unreasonable Act

One of the mistakes in Chris Patten's political reform package is the "three violations," which indirectly widen direct elections and change the nature of Legco, leading to a fundamental change in the entire political structure. Turning such a package into a bill and submitting it to Legco for the "final decision" is a double mistake and thoroughly goes against legal principles.

First of all, the Letters Patent and the Royal Instructions, the two supreme legal documents by virtue of which the Hong Kong colony is governed, stipulate that Legco is only a consultative organ to the Hong Kong governor and does not have any wholly independent legislative powers.

The Hong Kong Government was established 23 June 1843. At that time, London gave the first governor, Pottinger, two chief aides, one of whom acted as a legal adviser. This adviser, along with a few of his aides, was the origin of Legco. At first, Legco consisted of only official members. Only in 1850 did it install the first appointed unofficial member seat, and 30 years later Wu Ting-fang was appointed the Chinese Legco member. Just as a baby needs a birth certificate, the birth certificate for Legco is the Letters Patent and Royal Instructions issued by the crown on 14 February 1917. The former constitutes the establishment, nature, status, and functions of Legco, while the latter provides the composition and standing orders of Legco. According to these two decrees, "the two councils are under the Hong Kong governor, who receive orders from the British Government," which is the fundamental principle constituting the political structure of the Hong Kong government. Despite the installation in recent years of indirectly and directly elected seats and the fact that Britain has made some amendments to the Letters Patent and Royal Instructions, the provisions in these two documents about the nature, functions, and operations of Legco have remained unchanged, nor can they be changed, because the British Hong Kong Government remains a colonial power. Although Legco now has some role to play in certain Hong Kong social affairs and legislation for financial appropriations and is following Britain in

its three-reading procedures, none of these change the substance of Legco as a consultative body to the governor of the colony. Chris Patten lied when he said that Legco "represented popular opinion" and had the "final decision-making power." I wonder what he makes of the law of his home country. Could Chris Patten, appointed as he is by the crown, still be bossing around Hong Kong if Legco were really a legislative organ based on popular opinion? He would have long gone home.

Furthermore, allowing the colonial Legco to decide the political arrangements for Hong Kong's future is an infringement that violates international law.

The thing Chris Patten is submitting to Legco for a "final decision" is not a standard government financial budget or pre-1997 administrative affairs entirely under the Hong Kong Government's jurisdiction, but is a political reform package containing "three violations," straddling 1997, and completely negated by China. Obviously, this falls entirely outside Legco's official powers. The 1995 political arrangements involve the convergence of Hong Kong's political structure, a transfer of political powers, and Hong Kong's future. According to the Joint Declaration, all these are the responsibilities of the Chinese and British Governments. How could a consultative body to the British Hong Kong Government under British rule have any qualification and power to meddle in something beyond its boundary? Furthermore, there are already understandings and agreements between the Chinese and British Governments on arrangements for the 1995 political structure, and the Basic Law has provided principled models and a clear direction. Does it accord with international law to "empower" a Legco which does not even have final legislative power over domestic ordinances to override diplomatic agreements between China and Britain? We can stop talking about the spirit if it does!

Of course, Chris Patten is not a person who does not understand the law or is not sure of the Legco's status and functions. His defiance of universal condemnation can only be explained by his unscrupulous gambler's mentality. One of the reasons is that Chris Patten has in fact the number of votes he needs to pass his model and can manipulate the outcome of the vote as he wishes. The second reason—which is a stronger one—is that Chris Patten thinks that such a practice will give him plenty of room to maneuver. He can, in stepping back, put the responsibility of political reform at Legco's door; and, in moving forward, will artificially enhance Legco, which will be a giant step toward the goal of "returning political powers to Hong Kong."

The "Three-Legged Stool" Trick Absolutely Will Not Work

The matter has become very clear. Britain's policy change, through eating its own words and its perverse acts, unmistakably told people that they had deliberately instigated the current dispute over the political structure with the old "three-legged stool" trick, because they were

not happy about returning the whole of Hong Kong to China on 1 July 1997 in a steady, stable, and smooth fashion. In a word, to maintain the interests of its colonial rule, Britain does not mind infringing on China's national interests and challenging its state sovereignty.

Hong Kong has never been an independent territory but has always been an inalienable part of China. On 2 July 1997, China will resume the exercise of sovereignty over Hong Kong. On this point there is to be no ambiguity. Under this premise, and taking into account historical reality, China is willing to discuss and cooperate with Britain on solving important affairs concerning the transfer of political powers and those straddling 1997, for the purpose of maintaining Hong Kong's long-term prosperity and stability. In this regard, China's consistent enormous sincerity is clear as day. China has never interfered in daily affairs that are under the British Hong Kong Government's administration until 1 July 1997. But this time, Britain has breached the faith and has gone back on its word in unilaterally pursuing such a move as 1995 political reform which straddles 1997 and negatively affects Hong Kong's future and using Legco to make the "final decision." China will absolutely not accept or recognize this.

China does not oppose but actively calls for developing democracy. There can never be democracy in colonies, however. Genuine democracy happens only with the end of colonial rule when the people of Hong Kong become the real masters of the house. In fact, the Basic Law states explicitly: After 1997, Hong Kong will pursue a democratic system, which will be continually developing according to the principle of graduality and step-by-step advances, finally becoming universal suffrage. There is great irony when Chris Patten discourses on democracy while holding in his hand the "appointment letter with crown signature and seal" and tries to create democracy through a colonial legislative and consultative body. Chris Patten has never respected the wishes of the Hong Kong people, neither before nor after he advanced his political reform package. They make use of popular opinion only when they feel that it can be of use to them.

China calls for and supports the participation of the Hong Kong people into Hong Kong affairs during the transitional period. The drafting process of the Basic Law is a good example of extensive consultation and listening to the Hong Kong people's opinions, as is the hiring of Hong Kong advisers and extensive consultation and enlisting of opinion from people of all quarters. The objectives of securing the Hong Kong people's participation during the transition are to ensure convergence and a smooth transition and unite and strengthen the patriotic and Hong Kong-loving force in preparation for the future rule of Hong Kong by the Hong Kong people. The "Hong Kong people's participation" preached by Britain is aimed at "returning political powers to the people." This "people" is not the vast majority of Hong Kong people but is the pro-British and anti-Chinese force groomed by Britain. This becomes clear when we look at

the way British Hong Kong changed the composition of the Executive Council, manipulated Legco, groomed their cronies, and hit at and suppressed dissenting voices. All these things they are doing will no doubt plant the seeds of social turmoil and confrontation with the central government in post-1997 Hong Kong.

The rule of Hong Kong by the Hong Kong people and a high degree of autonomy—this is the Chinese Government's call and its firm position. Only when sovereignty over Hong Kong has returned to the motherland can the special administrative region under central government leadership become a reality. But Britain has been distorting the concept of "the rule of Hong Kong by the Hong Kong people" and has been misleading people on this point, saying that there should be the "rule of Hong Kong by the Hong Kong people" before 1997. Here we have a chance of catching a glimpse of the hypocritical side of the colonialists. The truth is that they want Hong Kong to be ruled by pro-Britain and anti-China people, and this happens to be the real nature of the "three-legged stool." It will be tantamount to accepting foreign intervention in the politics of the future special administrative regional government and China's sovereignty if we let Britain pursue this any further. This in turn will certainly damage the rule of Hong Kong by the Hong Kong people as well as the high degree of autonomy. The 1.1 billion Chinese people, including the 6 million Hong Kong people, will never allow this.

Without a doubt, playing the old "three-legged stool" trick is doomed to failure. Over the past few months Britain has experienced the bitter taste of seeing the mistaken policy it has pursued from a motivation of doing harm to people backfiring on itself. The vast majority of the Hong Kong people have also learned from firsthand experiences to appreciate their own interests, to see clearly the truth, and to increasingly oppose and grow sick of this practice. To find a way out of this embarrassing situation, Britain can only change its course as quickly as possible and return to the track of the "three convergences." Only then can China and Britain rebuild a relationship of cooperation and mutual trust and understanding so that the common interests of all the quarters concerned will benefit. If Britain adamantly persists its course, it will only be drawn deeper and deeper into isolation, until it will not be able to "retreat with glory" but will come down in history as the one responsible for ruining its diplomatic reputation.

Bank Chairman Asked Li Peng To Resume Talks

HK1003032593 Hong Kong SOUTH CHINA
MORNING POST in English 10 Mar 93 p 1

[By Fanny Wong, Connie Law, and Fan Cheuk-wan]

[Text] Hongkong Bank chairman Sir William Purves used a business trip to Beijing in early February to try to persuade Chinese Prime Minister Mr Li Peng to authorise a resumption of talks on the territory's political future.

Sir William, a veteran Executive Councillor, was ostensibly leading a team of senior bank officials to the Chinese capital on monetary matters, but the protracted Sino-British row over constitutional changes came up in discussions.

It is understood Sir William met Mr Li when the Executive Council [Exco] had already approved in principle Governor Mr Chris Patten's proposals, but was locked in intense discussion over whether to defer gazetting the bill giving them effect.

Sir William told Mr Li that Britain was prepared to defer the gazette if China agreed to talk. Mr Li gave no response.

A source said Sir William was opposed to sending the bill to the Legislative Council at that stage.

Although the Government had promised to submit it by the end of February, the gazetting of it has been deferred for the past four Fridays, the day on which this procedure is carried out.

Sir William could not be reached for comment last night.

Following a series of internal meetings last month, Mr Li and the Chinese Communist Party General Secretary, Mr Jiang Zemin, were said to have jointly endorsed the move to re-open talks with Britain.

But there was still no sign of a breakthrough yesterday, with senior Executive Councillor Lady Dunn saying the situation remained the same as last Friday.

It is said that there were still enough dissenting voices on the Chinese side to prevent an announcement being made.

A senior official of the local branch of the New China News Agency last night strongly criticised the British authorities for blocking the resumption of talks.

Mr Zhang Junsheng, a vice-director, said the British side would bear "historical responsibility" if it continued to create obstacles by leaking details of diplomatic exchanges.

"The decision on the resumption of talks have not been finalised at the present moment," Mr Zhang said.

"It is meaningless for the Hong Kong officials to talk so much. The Hong Kong Government officials should stop saying so much to mislead the Hong Kong public.

"We have wasted a lot of time since Mr Patten damaged the mechanism of consultation between China and Britain.

"We hope the British side returns to the track of consultation as soon as possible."

The Governor is expected to be under intense pressure from liberal legislators tomorrow when he attends his regular monthly question time.

Speaking after yesterday's three-hour Exco meeting, Lady Dunn said: "I've nothing to say today. The Governor already explained (the latest developments) in the Legislative Council last Friday. The situation is still the same as what he stated."

Echoing her views, another Executive Councillor, Professor Felice Lieh-mak, said everybody wanted the two sides to return to the negotiations table.

Asked if there would be a fifth deferral, she said: "Well, I think you will have to wait a couple more days."

Mainland Now Hong Kong's 'Biggest Trade Partner'

OW0903090093 Beijing XINHUA in English
0747 GMT 9 Mar 93

["Roundup" feature]

[Text] Beijing, March 9 (XINHUA)—In the wake of its economic development and accelerating reform and opening, China's mainland has become Hong Kong's biggest trade partner, and vice versa.

Observers here described the trade and economic relations between the two sides as "unprecedentedly close."

Last year, the mainland's trade with Hong Kong increased by a big margin, with the total trade volume reaching 58.05 billion U.S. dollars, among which the export volume from the mainland to Hong Kong was 37.51 billion U.S. dollars and the import volume from Hong Kong to the mainland was 20.54 billion U.S. dollars, increasing by 16.7 and 17.6 percent respectively over the previous year.

In another development, Hong Kong's small- and medium-sized enterprises have been increasing investment on the mainland since last year.

At the same time, Hong Kong's economic tycoons, including Li Ka Shing, Lee Shau Kee, Henry Ying Tung Fok and Kuok Hock Nien, began to invest in the real estate and infrastructure industries on the mainland. Analysts here commented that Hong Kong's large firms have pumped life into the trade and economic cooperation between the mainland and Hong Kong and displayed broad prospects for such cooperation.

Hong Kong's participation in the mainland's real estate industry has just begun, observers said, adding that although the Hong Kong-funded real estate industry at present is focused on Guangdong, Fujian and Sichuan Provinces, and the cities of Shanghai, Beijing, Tianjin and Wuhan, it is clear that it will spread from the south to the north and from the east to the west.

Construction of expressways, bridges, harbors, airports and power plants has been also attracting more and more Hong Kong investment.

The retail industry was another key area for Hong Kong investment in the past two years. So far, the Hong Kong business community has made sales promotions in Shanghai, Beijing and Dalian. Hong Kong's jewelry, leather products, garments and watches are well-received by mainland consumers.

Meanwhile, mainland-funded corporations are also increasing their investment in Hong Kong. Some mainland enterprises have been listed on Hong Kong's stock market, boosting Hong Kong's economic life.

In the past year, many mainland provinces and cities held trade fairs and investor-soliciting activities in Hong Kong, achieving inspiring results.

However, an official of the Hong Kong and Macao Affairs Office under China's State Council pointed out that no matter how the mainland-funded corporations develop in Hong Kong, they will not and cannot replace local and foreign investors.

These mainland-funded corporations, the official said, will strictly abide by local laws and regulations and continue to cooperate on the one hand and compete on the other with their Hong Kong and foreign counterparts.

In a recent meeting with Paul M.F. Cheng, chairman of the Hong Kong General Chamber of Commerce, Chinese Premier Li Peng said the mainland and Hong Kong should support each other to achieve common prosperity.

Other Chinese leaders have also stressed on various occasions the mutually beneficial relationship between the mainland and Hong Kong and fully affirmed Hong Kong's irreplaceable role in the mainland's reform and opening. They have also pointed out that the mainland's steady development will guarantee Hong Kong's prosperity.

Trade and economic circles here hold that in the coming years, cooperation between the mainland and Hong Kong will continue to develop.

Academic Urges Study of Local Economic History
HK1003093593 Beijing ZHONGGUO XINWEN SHE
in English 1117 GMT 10 Mar 93

[Text] Hong Kong, March 9 (CNS)—The study of Hong Kong's history in the Mainland is still at an early stage, an associate researcher of the Chinese Academy of Social Sciences, Mr. Liu Shuyong, said in an interview with this agency. He noted that the current level of study was far from meeting the objective needs of this subject and that an emphasis had to be specially placed on studying the territory's economic history.

Mr. Liu pointed out that Hong Kong, a frontier in the southern part of China, was one of the areas under Western aggression at an early time as well being an intersecting area for cultural exchange between China and the Western world, giving it an important position in China's modern history. It was not until the early 1980s when negotiations on the Hong Kong issue started between China and Britain that Mainland scholars gradually began to attach great importance to the study of Hong Kong's history with written works on the subject appearing one after the other. Mainland scholars undertaking study of the territory's history have mainly been concentrated in the Second Research Department of Sino-Foreign Relations of the Institute of Modern History under the academy and in the Research Department of Hong Kong and Macao History under the Guangdong Academy of Social Sciences, bringing to some ten the number of noted scholars in the country specializing in Hong Kong history.

Mr. Liu is the deputy director of the Second Research Department of Sino-Foreign Relations at the institute, specializing in research on Hong Kong history. He studied at the University of Hong Kong in the 1980s.

Export Growth Rate 'Meagre' in 1992

HK1003091493 Hong Kong SOUTH CHINA
MORNING POST (BUSINESS POST) in English
10 Mar 93 p 3

[By Barry Porter]

[Text] Considerable falls in Hong Kong-manufactured electrical appliances, footwear, radios and made-up textile exports helped drag total growth in volume of domestic exports from the territory for 1992 down to a meagre 0.3 percent. The volume of re-exports, on the other hand, leapt by 28 percent and imports by 22 percent during the year, according to government statistics.

Prices of domestic exports and re-exports rose one percent and 0.7 percent respectively, while average import prices rose 0.2 percent. While prices in the services sector rose sharply last year due to exceptional economic growth in Hong Kong and southern China, export prices were held back as local manufacturers fought for trade in depressed world markets.

Domestic electrical appliances saw the largest fall in export volumes of all Hong Kong-made products, slipping 38 percent last year. Footwear exports fell by 27 percent, radios by 25 percent and made-up textiles and related articles by 20 percent.

On a brighter note, the biggest climbers were electrical components, rising 31 percent, and metal ores and scrap, 7.6 percent. While average commodity export prices rose by far less than the overall Hong Kong inflation rate, there were a handful of significant movers.

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